# Daily Report

# Latin America

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*FBIS-LAT-94-064* *4 April 1994*

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## Cuba

### Government Suspends 1 May Workers Parade

*PA0104181694 Mexico City NOTIMEX in Spanish 1637 GMT 1 Apr 94*

[Excerpt] Havana, 1 Apr (NOTIMEX)—The Fidel Castro government decided to suspend the traditional 1 May workers parade and instead summoned the National Assembly of the People's Government [ANPP] to discuss issues related to the severe adjustment program to deal with the persistent economic crisis. The unusual decision to suspend the parade was announced Thursday by Pedro Ross Leal, secretary general of the Central Organization of the Cuban Workers Federation (CTC), who instead called for additional work shifts in order to ensure the success of the sugar harvest, the country's main industry. The summons to an extraordinary ANPP session was suggested this week by Castro in a speech during the closing ceremony of a plenary meeting of the CTC National Committee.

The colorful 1 May parade, to which Cuba would usually invite other countries' leftist political party leaders, was used by the government as a virtual plebiscite of workers support for the Cuban revolution. During a meeting with CTC leaders, Castro pointed out on that date [1 May], "there would be no better homage to workers" than the discussion by the ANPP deputies of the proposals by the "workers parliament" to clean-up the country's finances.

Included among the measures to be discussed during the assembly are those dealing with a tax system, a moratorium on subsidies to the consumption of goods and services, the closing down of inefficient companies, price increases, as well as cutting the state payroll. [passage omitted]

### Havana Radio Reports Suspension

*FL0104183794 Havana Radio Rebelde Network in Spanish 1000 GMT 1 Apr 94*

[Text] As a noble tribute to the Cuban people, the upcoming May Day will be turned into a decisive boost to production tasks like the sugarcane, tuber, and vegetable harvests and the planting and weeding. Pedro Ross Leal, secretary general of the Cuban Workers Federation, stated in Havana that the traditional Revolution Square rally and parade will not be held this May Day. Ross added that the occasion will be observed by means of ceremonies in the provinces and workplaces in keeping with the characteristics and resources of the different individual regions. These ceremonies will be held on 30 April because a special session of the National Assembly of the People's Government is scheduled for 1 May. Ross added that this is the result of a desire to keep May Day alive, as well as keeping alive, above all, the spirit of the workers assemblies recently held thoroughout Cuba and described by Fidel as a tremendous process by Cuba's union movement.

Ross stressed that one can pay no greater homage to Cuba's workers than to discuss, on May Day, their suggestions on how to streamline the nation's finances, since the workers will be responsible for implementing the economic measures to be adopted in Cuba.

### Council of State Convenes ANPP Session 1 May

*FL0104183094 Havana Radio Progreso Network in Spanish 1200 GMT 1 Apr 94*

[Text] Commander in Chief Fidel Castro has signed the Council of State accord officially convening a special session of the National Assembly of the People's Government, ANPP, for Sunday 1 May at the Convention Center. The announcement, made on 31 March, adds that the deputies of the ANPP will discuss the nation's financial situation. The meeting will begin at 1500 GMT. This ANPP session was convened in accordance with Article 90 of the Constitution of the Republic of Cuba.

### Nuclear Power Plant Maintenance Said on Schedule

*FL0304232494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 3 Apr 94*

[Text] After a temporary paralysis in the construction of the Juragua nuclear plant, the main concern of the personnel is maintenance, in which several organizations have joined. For many years, the people of Cienfuegos have grown accustomed to this great project on the coast a few kilometers from the city. The Juragua nuclear power plant is the most ambitious symbol of industrial development in this province.

The causes of the momentary interruption of this construction are well known, but Cuba has not given up. All efforts are now aimed at the preservation of the existing construction. Continuous contacts are under way with the Russians concerning technical aspects of the temporary paralysis of construciton on the nuclear power plant as well as the supplies that are essential for its preservation. At present, 2,000 workers are engaged in its maintenance.

Several potential foreign investors are evaluating the possibility of investing in the Juragua project. A state committee was recently created to conduct these negotiations. The committee is also responsible for coordinating the aid that the national economy, despite its limitations, can give to this project. A number of organizations in Cuba have sufficient resources to meet the needs of the project at this stage and to guarantee the fulfillment of the maintenance program agreed upon in September [year indistinct] when the decision was made to halt construction on the plant.

[Begin recording] [Unidentified speaker] I believe it can be fulfilled this year. [end recording]

International atomic energy organizations in charge of overseeing nuclear plants have issued favorable reports concerning the plant's safety and the qualified training of the technical personnel. For all Cubans, the Juragua

nuclear plant is the project of the century. Its construction continues, notwithstanding current difficulties.

### Electric Union Reports Breakdowns, Outages

*FL0104213194 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Apr 94*

[Text] On 1 April, the Electrical Union issued the following communique on the breakdowns and other situations affecting the output of electric plants:

As reported, since last week, outages have exceeded the national schedule of outages due to breakdowns of generator units at several electrical plants. This lessens the electricity generation capacity of the National Electric System. The Diez de Octubre plant, in Nuevitas, experienced a temporary fuel shortage that forced it to reduce its output between 26 and 31 March; this situation was resolved last night.

The Electrical Union reported that the situation will continue over the next few days, including 2 and 3 April. The outages will continue to be longer than scheduled and in accordance with the outage program designed in each region to cover this period. Maintenance workers at the power plants are working around the clock to complete repairs and increase the output of the National Electric System in the shortest time possible.

### Fuel Scarcity Causes More Power Outages

*PA0404001694 Hamburg DPA in Spanish 1802 GMT 2 Apr 94*

[Text] Havana, 2 Apr (DPA)—The more than 2 million residents of Havana awoke today to the unpleasant news that electrical outages (blackouts) will be maintained because of technical difficulties and a lack of fuel. The power interruption plan has shut down electrical power for 6-8 hours a day over the past few months, increasing to 10 hours on weekends. These power interruptions have caused complaining and irritation among the population.

The state Union of Electrical Transmissions and Distribution Enterprises [UETDE] today reported that the annoying "blackouts" will continue for the next few months because of generator breakdowns at many electrical power plants. Such breakdowns diminish the generating capacity of the national electrical system. The enterprise said the scarcity of fuel at the 10 October Plant, located in Nuevitas about 600 km east of Havana, is "temporary." A lack of fuel prompted the plant to operate at a reduced capacity 26 through 31 March. The UETDE, however, noted that this "low generating capacity" will continue over the next few days, including the weekend; therefore, the schedule of power outages will continue to be adjusted. The regular outage schedule, which is adjusted according to the conditions within each of the 14 provinces, has been in effect for the past three years in an effort to conserve fuel.

Cuba's electrical power plants are being maintained with national petroleum, which is very heavy and has a high sulfur content. This causes frequent breakdowns and repairs. Up to 1989, Cuba received some 13 million tons of oil annually from the former Soviet Union in exchange for sugar. The suspension of the Soviet crude supply triggered a partial standstill in Cuban industry and transportation, as well as a significant weakening of the national power system. According to unofficial figures, Cuba currently receives less than 6 million tons of oil annually at international market prices. Most of this oil comes through intermediaries, which also increases prices.

### Decree Sets Fines for Self-Employment Violations

*FL0104162094 Havana Radio Rebelde Network in Spanish 1255 GMT 1 Apr 94*

[Text] Council of Ministers Decree No. 186 establishes a schedule of fines for violations of the regulations of the self-employment decree. Fines of up to 1,500 pesos and the confiscation of supplies and products were established by articles of Decree No. 186, which went into effect on 22 March.

Under Article 2 of this decree, anyone performing an activity not legally authorized will be fined 1,500 pesos, and the supplies and products involved will be confiscated. Similarly, anyone who is performing an authorized activity but doing so without a license, will be fined 1,200 pesos.

Decree No. 186 also establishes other fines: There is a 1,200-peso fine for people using middlemen, and 1,200-peso fines for the middlemen themselves. Decree No. 186 also lists fines for, among other violations: rendering services or selling products in unauthorized locations, abusing market conditions for profit, and failing to comply with health requirements.

Decree No. 186 complements the September 1993 Decree No. 141 on self-employment. As you will recall, Decree No. 141 authorizes more than 130 self-employment jobs. Certain self-employment jobs, particularly in Havana, are at present undergoing review: For example, no new licences to work as taxi drivers or light meal producers are being issued, and specifically banned is the job of flower-grower and/or flower-vendor.

There are 42,600 authorized self-employed workers in Havana at the present time. The majority of these are in Diez de Octubre, Arroyo Naranjo, Centro Habana, Plaza de la Revolucion, and Playa Municipalities. These workers are primarily concentrated in approximately 70 open-air markets organized thoroughout the city.

### Agricultural Antitheft Measures Said Successful

*FL0104212794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Apr 94*

[Passages within quotation marks recorded; all speakers unidentified]

[Text] In the midst of the potato harvest, an intense and comprehensive system aimed at preventing misappropriation of agricultural products is being implemented in Havana City Province as well as in Havana Province. Thus, a source of profiteering is on the decline in both provinces, or at least that is the expected end result. This is the result of an experiment that began in early March, with Operation Agriculture-94 [Agro-94].

[First speaker] "We stop them here. If they are carrying too many products, we confiscate the products and then fill out a confiscation form and send the products back to the units."

Local authorities affirm that in Guira de Melena alone, 109 quintals of agricultural products were confiscated between January and March, products that allegedly would have ended up on the black market. So far, 623 people have been arrested.

[Second speaker] "Several checkpoints were set up along the access roads to the city as well as measures implemented at distribution centers and grocery stores in Havana, which allow the authorities of the different organizations in both provinces involved in this campaign to work jointly."

Someone said: If we do not do something, all Guira de Melena is going to be moved into Havana. In any case, this provincial traffic unit official affirms that these measures are not excessive.

[Third speaker] "Any individual citizen can come and solve his immediate problem with a stalk of plantains or a little bit of malanga for home consumption. What we confiscate here are the large quantities seized from people from Havana who come, buy from the farmers, and resell the produce on the black market.

"I wanted to clarify this. People are saying that we confiscate even a bag with three potatoes in it at the checkpoints. That is not true".

It seems the problem is abating: The flood of bags of agricultural products transported via bicycles, trucks, and cars [words indistinct]. This experiment can serve as an example for the rest of the country.

## Agricultural Antitheft Measures Discussed

*FL0104215994*

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1700 GMT on 1 April carries its "Straight Talk" program live, with host Osvaldo Rodriguez and his guest, reporter Eloy Concepcion. Rodriguez begins the program by commenting on the Agro-94 program: "We are taking up the topic of Agro-94 to discuss embezzlement and the theft of vegetables and tubers and many different kinds of agricultural products. Eloy, I believe the measures taken to prevent theft have had some results and more products can be found in the Havana City marketplaces. I believe a good many products are reaching those marketplaces, not fabulous amounts, but enough to complement the availability of food."

On this, Concepcion remarks: "Yes, the measures adopted in Havana were at the demand of the population. This is something we must point out. There was a certain generalized lack of social discipline manifested in the theft and embezzlement of products. Many areas and streets of the capital were turning into marketplaces for products obtained through the black market." Concepcion goes on to say: "I believe these measures are part of a cause that I would call noble: First, to curtail this embezzlement, if not completely, at least enough to establish the necessary order by which all products produced by the Basic Cooperative Production Units, the Agricultural-Livestock Cooperatives, and the state farms reach the population. This should be their final destination, for which the state and government have invested so many resources."

Regarding the marketplaces, Rodriguez states: "I recently heard of some situations where a delegate of the people's government is at the marketplace. The phenomenon between the farms and the marketplaces was one, but there was a separate network of dishonest people who would steal from the marketplaces. Of course, this was not at all of the marketplaces. It would happen in only a few of them. But there was a network of dishonest people who would embezzle vegetables and agricultural products to later sell on the black market and who formed part of this illegal trade in vegetables. I believe this has been stopped."

Regarding the distribution of agricultural products, Rodriguez goes on to say: I believe the collection centers [Acopio] must solve their problems now. Right now, in the midst of the Agro-94 movement, Acopio must solve the problem of transporting products to the marketplaces.

To this, Concepcion responds: I do not agree with you on Acopio solving its problem. I believe Acopio, as it exists today, must be abolished. I do not believe there is any other solution or condition than for Acopio to disappear, from the point of view of its current structure, which is inefficient. Acopio has demonstrated its inefficiency and that it is responsible for this whole problem of theft, embezzlement and misappropriation because the product goes through an infinite number of hands and through an infinite number of structures and paperwork that no one tracks or controls, and which cannot be controlled by anyone."

Straight Talk concludes at 1715 GMT.

## Eastern Army Holds Tactical Naval Exercise

*FL0104160694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Apr 94*

[Text] The Eastern Army has carried out a tactical naval exercise in Camaguey as part of the Revolutionary

Navy's training with a view to countering enemy action. Maneuvers included loading, unloading, launching mines, and accurately mapping the bay's minefields, which shows what resources the Cuban people's naval units have to counter a possible military blockade and the systematic deterioration of the bay.

The maneuvers, which involved embarkment, cruising, attack, and operations against enemy mines were described as positive, as were the organization, discipline, and interest shown by the sailors of the outstanding municipality of Nuevitas. Camaguey was able to host this meeting as a result of having obtained, for seven consecutive years, first place in the emulative competition of the Eastern Army's naval command and the zone of operations in question. The exercise showed that the people of Camaguey are capable of thwarting any enemy action against our coasts.

### Guatemalan Planes Said Overflying Guatemala City

*PA0304015194 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Apr 94*

[From the "Evening Information Review" newscast]

[Text] Death squads are being blamed for the murder of Guatemalan Constitutionality Court President Epaminondas Gonzalez in Guatemala City on the night of 1 April. According to Magistrate Edmundo Vasquez Martinez, paramilitary groups in Guatemala have not been dismantled, and assassinations and actions against peace and security continue.

Meanwhile, it has been reported that Air Force planes are overflying Guatemala City, heavily armed soldiers have cordoned off the city, and Constitutionality Court magistrates are discussing the situation.

### Zambian Foreign Minister Signs Accords

*FL0204172994 Havana Radio Reloj Network in Spanish 1510 GMT 2 Apr 94*

[Text] On 2 April, Zambian Foreign Minister Remmy Kaindu Gilly Mushota leaves for Jamaica to continue a tour of the Caribbean. During his busy one-week official visit, which strengthened cooperation between Zambia and Cuba, the Zambian official discussed details of Zambian President Frederick Chiluba's forthcoming trip to Cuba.

Mushota met with high-level Cuban officials and visited the Genetic Engineering and Biotechnology Center, the Finlay Institute, and Santiago de Cuba Province. He also met with Raul Trujillo, first vice minister of the Ministry of the Sugar Industry, a meeting which paved the way for a technical assistance agreement. Mushota also held a news conference during which he stated that his visit to Cuba has been extremely positive and that he is very pleased with the agreements concerning health, sports, and sugarcane agriculture that have been signed.

### More on Cooperation Accords

*FL0204191994 Havana Radio Rebelde Network in Spanish 1800 GMT 2 Apr 94*

[Text] Zambian Foreign Minister Remmy Kaindu Gilly Mushota is en route to Jamaica following a busy one-week visit that served to strengthen cooperation between Zambia and Cuba. During a news conference a few hours before his departure, Mushota described his visit as very positive and stressed that his meetings resulted in a mutual understanding on essential principles concerning health, education, the development of the sugar industry, sports, and international relations. The accords reached in these areas will be completed when Zambia's president visits Cuba.

[Begin recording of Mushota, in English with passage-by-passage translation into Spanish] What I can tell you as result of our visit is that Zambia and Cuba have agreed, in principle, that by the time Zambia's president visits Cuba, we should be in a position to sign an agreement for developing the sugar industry and its by-products in Zambia, with Cuba providing technical assistance and Zambia financing all the operations. The details of this agreement will be made public when Zambia's president visits Cuba. That is my delegation's success story. [end recording]

Mushota added that regarding sports, Zambia will send soccer trainers to Cuba and, in turn, will host Cuban trainers in athletics, baseball, and boxing. Zambia will also receive Cuban assistance in getting ready for the African games and future Olympic games.

### Robaina on Zambian Foreign Minister's Visit

*PA0104175994 Havana Radio Havana Cuba in Spanish 0000 GMT 31 Mar 94*

[Report by Barbara Betancur from the "Evening Information Review" newscast]

[Text] As has been reported, Zambian Foreign Minister Remmy Mushota is visiting Cuba. Foreign Relations Minister Roberto Robaina has commented on possible economic ties that might be established with Zambia and other topics of interest.

[Begin recording] [Robaina] Our people want to find an economic solution to the situation we are facing. This economic solution does not only depend on finding business deals that are more or less advantageous. It also depends on what constitutes a need for us but which could become an investment opportunity for others. In all honesty, we have things that could be useful to other countries and, in this particular case, to Zambia. The foreign minister is visiting with this delegation to expand on the talks we began in Zambia and to contact the Ministries and institutes that control agriculture, tourism, sports, health, and education.

[Unidentified reporter] What trade potential does... [pauses] What does Zambia have that Cuba needs, and what does Cuba have...

[Robaina, interrupting] No, the potential is not excessively great. We cannot develop it based on whether or not great potential exists. We develop it by opening a path in the fields of education, health, and sports. We have attained significant results, and the Zambians are very interested in learning about these results and in establishing important economic trade under conditions of mutual benefit.

[Reporter] Are there any Zambians here?

[Robaina] There are Zambian students who are attending universities here mainly in the eastern provinces.

[Reporter] They are not on the Isle of Pines?

[Robaina] No. In the particular case of Zambia, they are studying at the university and [words indistinct].

[Reporter] How many are there?

[Robaina] Just a few of them; not very many, but a few. [end recording]

Robaina also discussed aspects relating to his next Latin American tour.

[Begin recording] [Robaina] Soon, I will begin a tour through Latin America on an official visit that includes several countries.

[Reporter] Which countries?

[Robaina] Uruguay, Ecuador, Peru, and Argentina.

[Reporter] And how about Paraguay?

[Robaina] We are discussing the possibility of an official visit to Paraguay. We have no relations with Paraguay; we are trying to find a way. It all depends on a confirmation and any step that is taken is important, particularly any step that helps us know one another better.

[Reporter] Any comments on the apology made by the Colombian daily EL TIEMPO about the...

[Robaina, interrupting] There is a saying that goes like this: Sooner or later, life will prove you right. In this case, sooner or later, time proved we were right.

[Reporter] What is the current status of relations with Colombia now that this issue has been resolved?

[Robaina] Well, I would avoid using the term current status because we feel these relations were never affected. In other words, since relations were established, nothing has affected them as far as we are concerned. I believe that for those who had any doubts, life and reality have proved we were right. We have nothing to rectify because from the very beginning we voiced what our position was.

[Reporter] What did EL TIEMPO say?

[Robaina] EL TIEMPO said it regretted having published statements that were unfounded, and this evidently made it retract the story. I prefer that a final conclusion be made by those who read the newspaper's apology. We have nothing else to say. Whatever we had to say, we said it at the appropriate time.

[Reporter] How about visits by Colombian officials to Cuba?

[Robaina] These visits continue; there are no problems in this area.

[Reporter] Including the visit by the foreign minister?

[Robaina] That is right, including the visit by the foreign minister.

[Reporter] What is your opinion of Gaviria's election to the post of OAS secretary general?

[Robaina] I think comments on this topic should be made by those who are members of that organization. I think Gaviria is a conscientious person who has prestige and is well respected, and this will be helpful.

[Reporter] He speaks about more solidarity and a strong relationship among all countries of the region.

[Robaina] I think that this is a good thing for a new secretary general to say. [end recording]

You have just heard statements made by Cuban foreign minister after receiving in Havana his Zambian counterpart, Remmy Mushota. In addition to the official talks with his counterpart, the Zambian visitor will also meet with the heads of the sugar industry; public health; the Sports Institute; the State Committee for Economic Cooperation; and Carlos Lage, vice president of the State Council.

## PRC Signs Economic Cooperation Agreements

*FL0204012394 Havana Cuba Vision Network in Spanish 2320 GMT 1 Apr 94*

[Text] (Hao Chiang Siu), president of the PRC delegation attending the sixth session of the joint commission for the development of economic and trade relations between China and Cuba, departed today for her country after a one-week stay in our country.

Agreements were signed this morning in which both sides commit to boosting the development of projects for economic cooperation on the basis of mutual benefit. These agreements include China's willingness to supply Cuba with food and medicine in exchange for sugar. The Chinese delegation held meetings with numerous ministers and toured centers of scientific-technical interest in Havana.

Just hours before their departure, the delegation met with Cuban President Fidel Castro. Regarding her meeting with Fidel, (Hao Chiang Siu) said she was

honored to have met with the highest-ranking leader of the Cuban Revolution. Cuban Foreign Trade Minister Ricardo Cabrisas pointed out that all the goals of this sixth session had been met and that future goals were established.

### Mexican Envoy Views Joint Oil Refining Accord

*FL0104213094 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Apr 94*

[Interview with Mexican Ambassador Carlos Tello by Roberto Cabada, place and date not given—recorded]

[Text] Mexican Ambassador Carlos Tello has confirmed that Cuba will refine oil from diverse sources in conjunction with a Mexican enterprise. The Mexican radio station, Radio Rey, recently announced an accord between Cuba and Mexico to refine oil from various sources in Cienfuegos. Radio Rebelde interviewed Carlos Tello in Havana on this subject:

[Begin recording] [Tello] A letter of intent between the Cuban Government and the Mexican enterprise Mexpetrol has been signed. The goal is to join forces in operating Cienfuegos' fuel refinery through a joint enterprise. Work has begun to this effect. I believe that soon, very soon, we will see this enterprise in full operation. The idea is to refine oil, not always from Mexico. The refinery can handle approximately 60,000 barrels a day, refine it, and sell the product to the Cuban market with the surplus, of course, being marketed to markets abroad.

[Cabada] Will its profits be divided between Mexico and Cuba?

[Tello] What is divided?

[Cabada] That which is accrued from the refining process.

[Tello] No. The product of the refinery will be for Cuba and the surplus will be for the market abroad. [end recording]

### Ambassador: Havana To Court More Foreign Capital

*PA0404043794 Hamburg DPA in Spanish 2216 GMT 3 Apr 94*

[Text] Montevideo, 3 Apr (DPA)—Today, Cuban Ambassador to Uruguay Manuel Aguilera said the government of Cuban President Fidel Castro may be willing to allow foreign investors to play a greater role in the country's enterprises. The diplomatic spokesman added, "We in the Castro administration are resorting to mechanisms that are even more flexible than those adopted by the PRC when it began implementing its economic reforms. The mechanisms are so flexible that we may even consider making some exceptions."

Aguilera, who recently took office, pointed out that although Cuba insists on maintaining its position of using "mostly Cuban capital" within the majority of joint enterprises, "we are willing to make exceptions in cases of national interest."

In an interview granted to LA REPUBLICA newspaper, Aguilera stressed, "there could be a case of a joint enterprise in which the state would not own most of the stock; that is, most of the capital would come from a foreign firm or from several foreign firms." As for Cuba's opposition to implementing a free market economy, Aguilera explained that in order to move forward, "we must create innovative methods that allow us not only to retain the ownership of our basic means of production and resources, but also to unleash certain forces [liberen determinadas fuerzas]." Havana's representative in Montevideo said that the unleashing of these forces "will create a tangible Cuban presence in international markets by way of joint enterprises. This is why we are opening the country (Cuba) to foreign capital; we need resources, technology, and markets."

Aguilera's statements were disclosed just before Cuban Foreign Minister Roberto Robaina's 4 April arrival. Robaina is scheduled to make a three-day official visit to Uruguay. Uruguayan political circles are viewing Robaina's arrival with heightened interest because a foreign minister under the Castro administration has not visited this South American country since 1986, when former President Julio Maria Sanguinetti was in power. The last trip made by a Cuban foreign minister to Uruguay took place 20 years after the two countries broke off bilateral diplomatic relations. One diplomatic source in Montevideo reported that after meeting with Uruguayan President Luis Lacalle and other prominent individuals, Robaina will visit Peru, Argentina, and Paraguay.

### Iraq's 'Aziz Receives Foreign Ministry Official

*FL0404020294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Apr 94*

[Text] Today, Iraqi Deputy Prime Minister Tariq 'Aziz met in Baghdad with Cuban Vice Foreign Minister [title as heard] Nicolas Rodriguez. They discussed the possibility of strengthening bilateral ties between the two nations. The Iraqi News Agency, INA, reported that the Cuban Foreign Ministry official stated his visit is aimed at strengthening the historical ties of friendship between Cuba and Iraq at the end of the meeting.

### Sports Agreements Signed With Ecuador, Spain

*FL0204032094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 2 Apr 94*

[Text] Two sports agreements were signed this afternoon with Ecuador and Spain respectively at the headquarters of the National Institute for Sports, Physical Education, and Recreation [INDER]. (Sabino Hernandez), president of the Ecuadoran Sports Committee, together with Conrado Martinez Corona and Manuel Gonzalez Guerra, signed the Cuba-Ecuador exchange document for the period of 1994-95. The agreement establishes

increasing Cuban technicians in Ecuador in the upcoming months to reach a total of 70 as well as reciprocal participation of the two countries in events of diverse disciplines.

On the other hand, (Francisco Guzon), deputy chief of the Spanish Superior Sports Council, and INDER Vice President Raul Villanueva signed a similar cooperation agreement for the current year, described by the visitor as one of the most important agreements signed by his country. The agreement includes 30 points of exchange in various spheres, including the participation of athletes in reciprocal tournaments.

## Foreign Minister on Results of Asian Tour

*PA0104145194 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Mar 94*

[Interview with Cuban Foreign Minister Roberto Robaina by Barbara Betancur; place and date not given—recorded]

[Text] [Betancur] Mr. Foreign Minister Roberto Robaina, could you evaluate your extensive tour of Asia?

[Robaina] I would say that it was as fruitful as it was extensive. We opened broad channels of communications, which both sides needed. The entire region, which is an example of significant economic progress, is eager to know more about Cuba, what Cuba can offer, and what it needs. Cuba needs to know more about this economic progress or how to attain the economic results Asia enjoys today.

[Betancur] Did you find any experiences we can apply here in the economic reactivation process we are now conducting?

[Robaina] Yes, I believe so. I believe there are many things, but, most important, there is room for many businessmen from all of these countries to come here. There is a great deal of interest in the results we have achieved in this project—namely, results in the areas of education, health, sports, and science. They are interested in seeing, studying, and learning about many things in our sugar harvest and tourism. Several foreign ministers, in a reciprocal gesture, announced they will visit us soon, accompanied by members of their respective business communities. We updated several agreements and signed a few new ones. I think this, more than anything else, was a visit for today's diplomacy. Today's diplomacy is none other than that which opens the way to resolving the basic problems of nations and people. Our basic problem is our economy. Therefore, this visit was marked especially by an open exchange of opinions on strictly economic issues.

[Betancur] What kind of receptiveness did you find for Cuba's position in countries like Thailand or Myanmar [Burma], with which we have no major contacts at this time considering the geographical distance between us?

[Robaina] Apart from the distance problem, it was quite impressive to see the degree of interest in commercial trade. They are convinced that Cuba represents a viable place to do business with opportunities and a future. Now, this is solely dependent on what we are doing here. We exist today and we receive all of this respect and understanding from these countries because of the people's will to resist. I believe this is true in India, Malaysia, and other countries. Then, of course, there are those with which we have normal relations, so we met on very different terms. Vietnam is one example of this.

All in all, it was a truly extensive and fruitful trip that opened opportunities in both directions. Let me stress this issue of opportunities in both directions, because Cuba is not wandering around the world as a beggar. Cuba simply has many needs that provide investment opportunities for others. At the same time, Cuba has achieved many results which can provide significant solutions to the needs of others.

[Betancur] Closely related to this issue is the fact that there is a sports delegation from Malaysia that is about to arrive, unless it already has arrived.

[Robaina] Yes, it should be arriving soon. They have great interest in the results of our efforts and are interested in making more efficient use of trainers in all types of sports.

[Betancur] One last question: I believe Cuba is a member of a trade and development database exchange center. What benefits does this offer us, and what kind of outlook did you find for us there?

[Robaina] This allows us to put all of Cuba's economic information into the database and receive all of the information we need to complete economic transactions, with very little negotiation needed with each nation. This was created by a group of 15 nations. There were 14 up until now, and Cuba is the 15th nation to join this group and the fourth from Latin America.

[Betancur] One last question, and this is really the last one: You have just arrived, but we will have to ask you for another interview very soon. You are leaving for Latin America. What will your mission be this time?

[Robaina] I believe anything that has to do with our foreign policy is essentially related to our immediate surroundings, the region to which we belong and take pride in. America is our natural environment. Here we find the greatest opportunity for us to grow, given our geography, our culture, and our traditions. We are also answering invitations from several foreign ministers and making certain contacts before the Ibero-American Summit in order to get a feel for the opportunities and perspectives the summit itself will offer.

[Betancur] Thank you for the interview and I wish you success.

## Robaina on Trips, Youth's Role in Foreign Policy

*FL0304222894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 4 Apr 94*

[Interview with Foreign Minister Roberto Robaina by Rey Rodriguez and Roberto Cabada at the Foreign Ministry in Havana on 4 April—recorded]

[Text] [Rodriguez] On this Sunday dedicated to Cuban youth, we could not fail to meet with a man who for many years was the leader of the Cuban youth and is today at the helm of the Foreign Ministry. Mr. Minister, how do you reconcile your youth with your ministry post?

[Robaina] First of all, I would like to say that a person with certain responsibilities right now cannot be missing this Sunday; what is important to me is the young people on whom Cuba relies. I believe that today, and every Sunday, the young people are present through their effort, work, and participation. I believe that to reconcile this is not so hard, for several reasons.

First, I am not as young as many think. Second, I believe that Cuba's foreign policy is made by the people; in this, that youth have a real and specific participation. On the other hand, I do not think my youth is at the helm of the Ministry. The Ministry and Cuba's foreign policy are made up of an accumulation of youth who lead and conduct our foreign policies. Therefore, I do not think my mission is the hardest.

[Rodriguez] You have just returned from a tour of eight Asian nations. What is your opinion of the trip?

[Robaina] I believe it was highly positive, particularly since it was a remarkably open forum to tell the truth about our project and to explain to the world that Cuba is not only seeking the solutions it needs but has many highly positive and successful things to offer, things needed by many worldwide, particularly in that region. I believe that it is important for us to thoroughly study that region which has so many economic accomplishments in order to find out how many can be adapted to our character, our ways, and the pressures we are subject to and under which we are building our project.

[Cabada] You will be departing to Latin America shortly. I would like to confirm the countries you will be visiting and what your expectations are.

[Robaina] This is simply a follow-up to the effort being made in South America; this is one aspect of that effort. This trip is in response to invitations from countries such as Argentina, Uruguay, Peru, Ecuador, and Paraguay. We seek the same thing that Cuba has sought throughout the years with its foreign policy: a forum to explain what we are doing, with all our virtues and defects, and also a forum from which to learn.

When we speak of this, Latin America has a special place. I believe that doing this as the Latin American summit nears gives us an opportunity to turn that forum into what the Latin American peoples hope it will become.

## Praises Athletes' Role in Foreign Policy

*FL0104212894 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Apr 94*

[Text] On 1 April, the World-Class Sports Conference featured an address by Foreign Minister Roberto Robaina on the principal points of Cuba's foreign policy and the role that sports plays in it:

[Begin Robaina recording] I must stress that our most significant ambassadors are in the field of sports. Athletes like Sotomayor, Ana Fidelia, and many others can attract 100,000 people to a stadium. These athletes can tackle the most diverse issues. None of our diplomats, not the most acclaimed or trained, can in such a short period achieve what one of our modest athletes can—transmit Cuba's image abroad.

I just spoke with our trainer in Thailand. During the first official meeting in Bangkok with that country's foreign minister, the number one issue of the talks was Cuba's trainer there. They wanted to know if we had more and how we do it. I believe this reflects not only what has already been accomplished, but what we are willing to do and are capable of doing. [end recording]

## Youth Representative To Participate in Forum

*FL0404022594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Apr 94*

[Text] Perhaps the most important event in the region will be the forthcoming world summit on sustainable development, to take place in Barbados. Representatives from member countries of the alliance of small insular states are expected to participate in this summit. Parallel to the world summit on small insular states that will take place in Barbados, a forum on nongovernment organizations will also take place in the capital, at which Cuban youth will be present. (Damodar Pena), one of the Cuban representatives to that forum, outlines some of the subjects that will be discussed in that forum.

[Begin recording] [(Pena)] One of the subjects is social and environmental policies on sustainable development, the work that youth can do in this regard, and some action plans concerning what can be done in countries such as ours, taking into account the fact that this is essentially a meeting of developing nations and of small islands. This forum will discuss what can be done in these islands in the quest for sustainable development.

[Unidentified reporter] What is the Cuban youth experience in this context?

[(Pena)] The Cuban youth have actively participated in all discussions on the development of ecology in Cuba for a long time. I can tell you that the national bureau [not further identified] discussed this subject in January 1992 and again in December of the same year, and it was agreed that the youth should be charged with these issues and that a national ecology group should be created.

In May 1993, the ecology issue was discussed in the Isle of Youth when a set of guidelines was established, especially for those issues having to do with youth, such as environmental education of the new generation. I think this is a very important aspect in which the youth, together with several social organizations such as the Ministries of Educatio and Culture and the communities can do much to teach the people to take care of the environment, love it, and use it for their own benefit without harming its stability. These are the essential things carried out by the youth in this regard. [end recording]

### Police Arrest 3 More Persons in Colosio Case

*PA0104173494 Hamburg DPA in Spanish 1653 GMT 1 Apr 94*

[Text] Mexico City, 1 Apr (DPA)—Three other persons suspected of participating in the assassination of Luis Donaldo Colosio, Institutional Revolutionary Party [PRI] candidate for president, have been arrested in Tijuana.

According to the radio station Radio Red, three or four persons involved in Colosio's assassination were taken from Tijuana to Mexico City in deep secrecy. The radio station says that everything indicates the persons are Vicente Mayoral Valenzuela and his son Rodolfo Mayoral, security agents during Colosio's visit to Lomas Taurinas, a Tijuana neighborhood, and witnesses to his death. Another person reportedly is Rodolfo Rivapalacio, coordinator of Colosio's security in Tijuana, who hired members of the group known as Tucan for security tasks. The station went on to say that the group includes a fourth person, whom the station has not yet identified.

Mario Aburto Martinez, a 23-year-old mechanic, and former policeman Tranquilino Sanchez Vanegas, 57, accused of having assisted the killer, are officially being held at the Almoloya de Juarez Maximum Security Prison. In addition, the Mexico City press today mentioned the possibility of the murder being ordered by drug traffickers, who intended to divert public attention.

### Commission Created To Aid Investigation

*PA0304034694 Mexico City XEW Television Network in Spanish 0430 GMT 2 Apr 94*

[From the "24 Hours" newscast]

[Text] The Baja California State Congress has created a special commission to help investigate the assassination of Luis Donaldo Colosio Murrieta, former PRI [Institutional Revolutionary Party] presidential candidate. The commission will continue to gather any new evidence Baja California residents may present and send it to the attorney general of the republic. Francisco Javier Reynoso Nino, Baja California Congress secretary, has made this announcement in Mexicali.

[Begin Reynoso recording] We have started direct relations with the two chambers of Congress, the chambers of deputies and senators. Those contacts will, of course, be in both directions and directed to further the investigations. We know, of course, Congress is not an office to investigate crimes, but we will be attentive to any information that becomes available and we will immediately report it to the corresponding authorities. [end recording]

Reynoso also said that although the Baja California State Congress is not an investigative office, it can volunteer available information to further the Special Prosecutor's Office's investigation of the criminal case. He added the Baja California Congress is demanding Colosio's murder be clarified to the satisfaction of all the people.

### Bulletin on Colosio Assassination Issued

*PA0104145694 Mexico City XEW Television Network in Spanish 0430 GMT 1 Apr 94*

["Text" of Bulletin No. 1 issued by the Special Deputy Attorney General's Office conducting the investigation of the murder of Luis Donaldo Colosio, presidential candidate for the Mexican Institutional Revolutionary Party, in Mexico City on 31 March; from the "24 Hours" newscast]

[Text] This office believes it has made progress on essential aspects of the case. Given the nature of the investigation and taking into consideration Special Deputy Attorney General Miguel Montes Garcia's commitment to handle the information in such a way that the investigation will not be hampered or impeded, it has been regarded as advisable to withhold the information and release a report in a few days after all the important aspects of the investigation have been looked at. The work, which is being carried out in accordance with the outline of police analysis, comparison, and intelligence programs, has yielded positive results.

### Industrial Sector 'Determined' To Support Salinas

*PA0204005294 Mexico City EL FINANCIERO in Spanish 28 Mar 94 p 26*

[Report by Isabel Becerril]

[Text] The industrial sector has stated it is determined to fully support any actions President Carlos Salinas de Gortari may take to solve the country's problems. The decision was made after the more than 464 members of the National Association of Processing Industry (Canacintra) executive commission and board of directors decided to vote in favor of a motion proposed by its president, Victor Manuel Terrones Lopez. During the meeting, Terrones urged all Canacintra members not to allow any nonfulfillments regarding the Stability, Competitiveness and Employment Pact (Pece) "because at this time, the country's situation is quite delicate."

As a result of the manufacturers' concern prompted by recent developments in Mexico, Terrones Lopez said now more than ever it is necessary for the country's industrial sector, regardless of beliefs or affiliation, to join forces with the president in order to strengthen the nation. He added it is not the president who is in jeopardy now but, rather, the entire nation. "We must unite so we can reclaim the levels of social peace, justice, and liberty we once enjoyed only a few months ago," he said.

Replying to a question by a member who participated in the monthly Canacintra meeting on 22 March on whether the president had requested support from the manufacturers, Terrones Lopez responded the president had not so requested. He added, nevertheless, it was Canacintra's obligation to support the country and that if they had to, they would back the president.

Likewise, the Canacintra leader requested its members remain calm, saying the country's authorities were

already taking the necessary measures to prevent the country from falling apart. The Canacintra president urged his associates not to become too apprehensive, saying, "at this time it is important for us to work." He said apprehension is the first step in demoralizing a country or making it deteriorate further. He promised the more than 464 Canacintra manufacturers there will be peace and that they will seek to ensure certainty "but that no way will they abandon President Salinas."

During the meeting, it was agreed that all delegates throughout the Mexican republic would immediately contact their respective state governments to offer support. Likewise, they would conduct a campaign to urge all sectors of the country to remain united to support the institutions. They reiterated their commitment, respect, encouragement, and unrestricted support to the president concerning the measures he may adopt to clarify the events troubling the nation. Terrones said the country's manufacturers are aware the economic program has been adequate and that from that viewpoint we can conclude there is a need for the manufacturing sector to integrate, and "in this we will not fail."

## President Commends PRI Presidential Candidate

*PA0104171394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 1 Apr 94*

[From the "Early Morning" newscast]

[Text] During his visit to Agualeguas, Nuevo Leon, President Carlos Salinas de Gortari sent a message of unity and harmony to all Mexicans. In reference to Jose Cordoba Montoya, the president indicated that he is a Mexican citizen who works with devotion and his experience will help spur on the IDB [Inter-American Development Bank], an institution that is of interest to Latin America.

Later, President Salinas was asked his opinion on the appointment of the new PRI [Institutional Revolutionary Party] presidential candidate.

[Begin recording] [Salinas] Most of all it is a message of unity, encouragement and harmony.

[Unidentified speaker] Welcome, Carlos.

[Salinas] Thank you.

[Speaker] God bless you.

[Unidentified reporter] Mr. President, with respect to [words indistinct] of your adviser [Jose] Cordoba Montoya, what were the reasons?

[Salinas] Mr. Jose Cordoba is a Mexican citizen who has worked loyally. I am very fond of him and value his services, experience, and capability as related to economic issues. I am quite sure these attributes will allow him to contribute positively to an institution such as the IDB which is very important to Latin America's economic and financial interests.

[Reporter] Is there any advice you could give him?

[Salinas] [words indistinct]

[Reporter] Are there any recommendations you could make to Mr. Montoya now that he is about to embark on another duty?

[Salinas] Only one. I can only recommend that he use his great capabilities and experience in [words indistinct].

[Reporter] Mr. President, does the mourning for Mr. Colosio's death continue?

[Salinas] Friday was declared a day of national mourning as a result of his death....

[Reporter, interrupting] Is this why you have to return?

[Salinas] Most of all because of fondness for a lost friend.

[Reporter] Mr. President, what can you say about the country's current situation?

[Salinas] I repeat, my message is one of unity, encouragement, and harmony. [end recording]

Later on, President Salinas was asked about the nomination of the new PRI presidential candidate to which he pointed out that during 1993 Mr. Zedillo had been one of the leading contenders and that he is an intelligent person committed to democracy and the legal order. The president added that Mr. Zedillo will be an element of unity and harmony.

## Federal Judicial Police Seize 4 Tons of Cocaine

*PA0104233294 Mexico City UNOMASUNO in Spanish 29 Mar 94 p 13*

[Report by Armando Solis M.]

[Text] Torreon, Coahuila, 28 March—Today, federal Judicial Police [PJF] personnel seized more than four tons of cocaine and arrested two alleged drug traffickers who were transporting the drug in a tanker truck on the road from this city to Concepcion del Oro, Zacatecas.

PJF Commander Juan Carlos Alvarado reported Raul Juarez de la Paz and Miguel Angel Salazar Ramirez, both from Uruapan, Michoacan, were arrested during the police action. Both men testified that they received the merchandise in Guadalajara, Jalisco and were taking it to Cadereyta, Nuevo Leon.

The policemen initially stopped the truck for speeding on the road to Concepcion del Oro in Zacatecas and discovered the large cocaine shipment while checking the vehicle. The 4,187 kg of cocaine had been placed in 2,162 packages in the vehicle's tank. The PJF commander said the drug shipment and the two men were placed in the custody of the Federal Attorney General's Office in Saltillo, Coahuila.

## Two Offices Inaugurated Within NAFTA Framework

*PA0204191094 Mexico City XEW Television Network in Spanish 0430 GMT 31 Mar 94*

[From the "24 Hours" newscast]

[Text] The main offices of two new institutions were announced today within the framework of NAFTA. The headquarters of the North American Development Bank will be located in San Antonio, Texas, and the Environmental Cooperation Border Commission will be headquartered in Ciudad Juarez, Chihuahua State.

During the first two months of this year, foreign investment in Mexico rose to more than $4 billion, which is 143 percent higher than the figure registered during the same period in 1993, the Commerce and Industrial Development Secretariat announced.

## Bank of Mexico Opens as Autonomous Organization

*PA0304031594 Mexico City NOTIMEX in Spanish 2301 GMT 1 Apr 94*

[Excerpts] Mexico City, 1 Apr (NOTIMEX)—The Bank of Mexico (central) has started operating as an autonomous government organization. Its main objective is to contain the country's inflation at moderate levels, similar to the ones in industrialized nations. The central institution has, as of this Friday, the authority to deny loan requests to cover the government's fiscal deficits, one of the factors which contributed greatly to high inflation rates. "Sharp and prolonged inflation rates are closely linked to fiscal deficits," President Carlos Salinas de Gortari said in his legislative effort to give autonomy to the Bank of Mexico on 17 May 1993. [passage omitted]

The Bank of Mexico's autonomy is based on the bank's board of directors, which consists of a governor and four deputy governors who are to be proposed by the executive branch and ratified by Congress. On 26 March, Congress ratified the presidential proposal to appoint current Bank of Mexico Director Miguel Mancera Aguayo as the first governor of the autonomous institution for an eight-year term. [passage omitted]

According to the law, Mancera will occupy the governor's post for three years and nine months, and the deputy governors will hold their positions in terms that vary from nine months, two years and nine months, four years and nine months, and six years and nine months. The deputy governors are Guillermo Prieto Fortun, who will occupy the position until 31 December 1994; Ariel Buira, until the same month in 1996; Jesus Marco Yacaman, until December 1998; and Francisco Gil Diaz, until December 2000. A board of directors position is a solid one, and the directors can only be removed in case of a serious misdeed.

## Bank of Mexico Governor on Strategy

*PA0304031394 Mexico City EL FINANCIERO in Spanish 28 Mar 94 p 5*

[Report by Gustavo Lomelin and Georgina Howard; quotation marks as published]

[Text] Miguel Mancera Aguayo set aside his bluntness—he seems more cordial—but does not lose his seriousness when he says the new economic strategy is "appropriate for the times through which the country is going. He rejected the notion there might be risks of currency instability, saying the central bank's independence will strengthen states' initiatives.

With only a few hours remaining before leaving to occupy the new post of governor of the Bank of Mexico (Banxico), Mancera admits: "It is a great challenge and an enormous responsibility that we will have to face." Now, as of 1 April, "no state agency or institution will be able to pressure the central bank into approving credit "without the government board's approval," and that, he insisted, "is very healthy for the economy."

In brief statements to this newspaper after being sworn-in before the congressional Permanent Commission of the Union as new Banxico governor, Mancera weighs the experience of deputy governors Guillermo Prieto Fortun, Francisco Gil Diaz, Ariel Buira, and Jesus Marcos Yacaman. He adds these are people who are very familiar with the country's financial system.

Franciso Gil Diaz, also interviewed by EL FINANCIERO, said: Banxico's greatest challenge, starting with this new legal framework, will lie in each of us getting to know what will be our responsibilities. "I have been with the bank for 25 years, and, nevertheless, I still have to get used to the institution, its new provisions, as well as its financial operations."

Gil Diaz added he believes Banxico officials, who will be assuming this responsibility, will have to do a little more of the same and "exert a little more effort" because we all have had specific duties; some even had operational obligations in addition to local obligations.

### The Key: Budget Independence

When asked how there can be budget independence within an official structure, the up until now under secretary of revenues of the Secretariat of Finance and Public Credit (SHCP) explained: New legislation allows the bank to handle its own budget.

Wages, for example, are established with a stipulation that could subordinate the bank due to the higher wages its officials earn. Bank supervision is included in the law, but under a different agency in order to prevent "supervisory" elements from being used to apply any pressures; "in other words, everything is well established."

Mancera agreed this operation is in accordance with legal provisions included in Banxico's new legal framework. Gil

Diaz recalled a new bank organization law had been enacted starting from the constitutional reforms. The new law includes stipulations on the central bank's activities.

**Strengthening of Currency Exchange**

Mancera had to wait more than two hours to take his oath of office because the legislators could not see eye to eye on whether to appoint Miguel Montes. He did not reject any of the questions. Instead he tried to be as precise as possible. "The national bank's autonomy will aid in correcting the financial situation and strengthening the currency." He did not evade any questions either. The situation the country is facing, he added, will not affect the peso's stability in the least. The bank has had no reason to intervene because exchange rate activity has stayed within normal boundaries.

He predicted the activity surrounding the dollar-peso exchange rate will not affect the economic outlook, as they will tend to level off. Proof of this is that Mexico has not needed to use any of the $6 billion the Clinton administration has offered. He said the central bank's new autonomous nature will help to strengthen the national currency. He denied it would create division between the state and the people, as a Popular Socialist Party legislator has charged. The draft bill, now approved, is clear about this issue and is consistent with the state's authority.

The basic issue here, he added, is there will no longer be indiscriminate credit for any agency. This is, he commented, consistent with the country's process of economic opening and modernization.

**Foreign Approval**

According to several analysts, local and foreign banks alike have welcomed the appointment because "Miguel Mancera Aguayo's experience and dedication within the Mexican financial system is well proven." They also said he has the international financial community's recognition, support, prestige, and respect. Analysts from the Deutsche Bank, Banamex, Bancomer, and the Swiss Bank agree it is precisely he who "knows Mexican financial policy inside out."

Directors at Banpais have said the new structure of the Bank of Mexico plus Miguel Mancera Aguayo at the helm are a guarantee that the financial policy will not drift off course, financial reorganization will continue, the corporation's resources will be safeguarded, and investor confidence will grow.

Analysts from Deutsche Bank, the Bank of Montreal, and the National Bank of Paris have said the central financial agency must continue its clear and efficient performance in order to protect the peso. They say the current challenge will be to maintain and consolidate Mexico's economic, social, political, financial, and monetary stability.

## Costa Rican President Calderon To Visit 5 Apr

*PA0204032794 Mexico City NOTIMEX in Spanish 1105 GMT 1 Apr 94*

[Text] Mexico City, 1 Apr (NOTIMEX)—Costa Rican President Rafael Angel Calderon will begin a visit to Mexico on 5 April. The government has reported Calderon and his colleague, Carlos Salinas de Gortari, will sign a free trade agreement during his visit. The Foreign Secretariat announced this Thursday that during Calderon's visit to Mexico he will sign this agreement with Salinas de Gortari and will also meet with Finance Secretary Pedro Aspe Armella, as well as with a group of Costa Rican businessmen. The agreement is the confirmation of Mexico's commitment to the Latin American integration process, the Foreign Secretariat report revealed. It also stated this will be the country's first free trade agreement with a Central American nation.

The treaty will open a new phase in relations between both countries and will lay the foundation for more in-depth, more efficient complementary economic relations between Central America and Mexico, the document added. It did not specify, however, how long Calderon will stay in Mexico.

Costa Rican Commerce Minister Roberto Rojas and Mexican Commerce Secretary Jaime Serra Puche headed the negotiations for the bilateral pact, which ended in San Jose on 3 March. The agreement is the most advanced pact in Latin America, because it not only covers the free exchange of goods and services but also includes investments and solutions to commercial differences, Serra Puche stated when the negotiations ended.

When the officials successfully ended their negotiations, the text of the pact was sent to specialized lawyers in both countries for a legal revision, and they wrote the final draft of the treaty. Once it is signed, the treaty has to be ratified by the legislative branches and promulgated by the executive branches in both countries so it can go into effect on 1 January 1995.

The treaty stipulates that both countries will give each other gradual tariff advantages on more than 8,400 products. The tax cuts will be assigned in three stages. The first phase covers products that will be allowed to enter both countries without paying custom duties as soon as the agreement goes into effect. The second covers items that will not have to pay custom duties in the next five years, and the third includes products that can be imported tax free in the next 10 years.

As soon as the treaty goes into effect, Mexican businessmen can export to Costa Rica at least 65 percent of the products on the tariff lists without paying custom duties. Costa Rica will also be able to sell Mexico 80 percent of the goods on the tariff lists without paying custom duties. Those percentages amount to between 4,000 and 5,000 products that will be allowed to enter the respective countries without paying custom duties.

## Costa Rica

### Suspected Traffickers Linked to Colombian Cartel

*PA0104131994 Panama City ACAN in Spanish 1125 GMT 24 Mar 94*

[Text] San Jose, 24 Mar (ACAN-EFE)—The Judicial Investigation Agency reports that Costa Rican police dealt two harsh blows to international drug trafficking in two separate operations this weekend. Initial investigations indicate that the drug operations were linked to one of Colombia's most violent cartels, the Pereira Cartel.

Police attribute the trafficking of 720 kg of cocaine from Colombia to Europe to one gang and report that another gang is responsible for illegally introducing 180 kg of heroin into the United States this year. The authorities claim that with the capture of five Colombians, one Costa Rican, one Dominican, and one U.S. citizen, they have broken a connection to the Pereira Cartel, an organization that grew after the fall of Pablo Escobar and which police consider to be one of the most violent of its kind.

The cocaine traffickers, Colombian citizens Luis Diez Diez and Moises Nader Vargas and Costa Rican citizen Carlos Alvarado, were arrested on charges of possessing 10 kg of cocaine following months of investigation and 24-hour surveillance that began the day the entry register of foreigners into Costa Rica through Juan Santamaria Airport was scrutinized, eight days before their arrest. Alvarado was under surveillance for two years under suspicion of being an international drug trafficking ring's contact in Costa Rica.

Elsewhere, 2.5 kg of heroin destined for the United States was seized in Costa Rica after evading Colombian, Panamanian, and Costa Rican customs agents when one of the "mules" (carriers) had a drug-filled packet rupture in his stomach. This was the lead that led narcotics agents to the other members of an international gang that was using Costa Rica as a transshipment bridge.

Juan Tribino, a Colombian citizen, was hospitalized in a state of shock Sunday night in Alajuela—a city 25 miles north of the capital—where it was determined he was suffering from a heroin overdose. Although in a coma, Tribaldo defecated five packets containing drugs, which prompted doctors to notify narcotics police. The other members of the gang were identified as Fernando Ramirez and Claudia Cardoze, both from Colombia; Geovanny Ferrer of the Dominican Republic; and U.S. citizen Felix Lopez. Tribino remains in critical condition in Alajuela hospital, while the rest of the drug traffickers are under arrest and charged with international drug trafficking.

Costa Rican Security Minister Luis Fishman said drug traffickers recruit young men in his country to transport the drug to different parts of Europe. He added that 16 Costa Ricans currently imprisoned in Europe could be contacts for this gang. Ten of them are in Spain, three in the Netherlands, and the rest are either serving terms or waiting to be sentenced in Germany, Belgium, France, and Italy. None of them had previous criminal records.

Although unconfirmed by authorities, judicial sources have confirmed to ACAN-EFE that the interrogations and investigations show the Pereira Cartel is very active in Costa Rica and has a number of connections. According to these sources each connection only has enough information to work within a specific organization. In case they are arrested, they cannot be linked to other drug traffickers or the rest of the network.

### Government Accepts EU Banana Imports Offer

*PA0104152194 Panama City ACAN in Spanish 1759 GMT 29 Mar 94*

[Text] San Jose, 29 Mar (ACAN-EFE)—Costa Rica has abandoned the "banana war" it was waging with other Latin American nations against the European Union (EU) and accepted an offer shortly after the defeat of Costa Rican Foreign Minister Bernd Niehaus as OAS secretary general. Roberto Rojas, Costa Rican foreign trade minister, told ACAN-EFE that this agreement, negotiated last week with Rene Steichen, EU commissioner for agricultural matters, "has nothing to do" with Colombian President Cesar Gaviria's election as OAS secretary general. Rojas assured that the largest banana producers in the Caribbean, such as Belize and Jamaica, voted for Costa Rica on Sunday in Washington and that the agreement with the EU safeguards the advantages it has always granted to these small nations.

At the OAS election, some Caribbean nations, as well as Panama and Ecuador, which had committed their votes to Costa Rica, broke their pledges at the last minute and voted for the Colombian president. This gave Gaviria the victory to lead the OAS for the next five years.

These events caused strong misgivings in Costa Rican diplomatic and political circles because, according to Rojas, vigorous U.S. pressure in support of Gaviria included the use of the banana issue as a negotiating tool. Nevertheless, the Costa Rican minister assured that the "banana war" did not have a bearing on changes in OAS votes, although there was an attempt to link the "banana war" to Foreign Minister Niehaus' bid to become OAS secretary general. Neihaus lost to Gaviria by a vote of 20-14.

The European commissioner today appeared satisfied with the agreement which, besides resolving the dispute, "assures that the EU's objectives in regulating banana imports will continue to be respected." For Steichen, this guarantees respect for the interests of EU banana consumers and producers, as well as of the producers of the fruit in Africa, the Caribbean, and the Pacific.

Costa Rica was the most ardent challenger—followed by Colombia—of the EU restrictions that have been in force since July. Costa Rica now will benefit the most by this agreement. The agreement grants Costa Rica a 23.4 percent share (25 million cases) of the quota established

for all banana imports from Latin America. Of the 2.1-million ton quota for this year and 2.2-million tons for next year, Colombia will obtain 22 percent, Nicaragua 3 percent, and Venezuela 2 percent.

The agreement also includes a reduction in (import) tariffs from 100 ECU's [European Currency Units] ($112) per ton to 75 ECU's ($75), as well as granting 70 percent of the import licenses to the producing nation. This was one of the most controversial issues in the Latin American-EU dispute.

Europe imposed a quota system on Latin American banana imports on 1 July, reducing its purchases from 2.5 million to 2 million tons. This unleashed charges from the Latin Americans—led by Costa Rica—before the GATT, which ultimately ruled in favor of the producers, claiming that the EU system violated basic GATT principles.

The other four nations—Ecuador, the world's largest producer that will have a smaller quota to export to the EU; Panama; Honduras; and Guatemala—will continue their struggle before GATT. Of these nations, only Guatemala is a full member of this trade agreement, while Honduras is in the process of joining.

After a meeting with the Costa Rican producers, Rojas said this agreement will allow Costa Rica to arrive feeling satisfied at the signing of the Final Document of GATT's Uruguay Round on 15 April in Marrakesh, Morocco. Rojas stated: "This agreement will create market and price stability while resolving this very difficult controversy for Costa Rica and the producers." At the same time, Rojas highlighted the importance of the European market for his country.

Rojas assured that his country will remain a member of the Union of Banana Exporting Countries and will attend all meetings in which this matter is studied. Nevertheless, he made it clear that the bloc that had negotiated with the EU has been dissolved. In this regard, Rojas said Costa Rica will attend the meeting of producing nations to be held in Panama on 8 April to explain the reasons for and the terms under which Costa Rica accepted the EU's proposal.

## El Salvador

### U.S. Army Officer Killed in Grenade Explosion

*PA0304181794 San Salvador Radio Cadena YSKL in Spanish 1707 GMT 3 Apr 94*

[Report by Raul Beltran Bonilla]

[Text] Early this morning, a U.S. Army lieutenant colonel was killed following the explosion of a fragmentation grenade inside the barracks of the National Civilian Police located in Zacamil neighborhood. The police refused to provide information regarding this case. We repeat. A U.S. Army colonel was killed early this morning after a fragmentation grenade blew up when the aforementioned military officer was taking it from inside one of the offices of the National Civilian Police [PNC] in Zacamil Neighborhood.

According to the report, the incidents developed in the following manner: A U.S. Embassy international mission vehicle was passing near Zacamil neighborhood at midnight. It was going at a very high speed. The vehicle was occupied by a driver and two other individuals who accompanied him. According to a confidential report provided to the YSKL news center, the vehicle's occupants were drunk. At midnight, the U.S. Embassy international mission vehicle was passing by the Zacamil neighborhood when a PNC patrol ordered it to stop. The individuals inside the vehicle did not heed the call to stop made by the PNC. Minutes later the PNC officers proceeded to contact other nearby units and the vehicle was stopped. The three occupants of the vehicle were arrested. The three were Salvadoran citizens and they were drunk. Three drunk Salvadorans were driving the U.S. Embassy vehicle. When the police registered the vehicle, they found a Beretta pistol and a fragmentation grenade. The police then proceeded to turn over the three U.S. Embassy security officers, who are Salvadoran nationals and whose names are being withheld for the time being, to the PNC's Zacamil Barracks.

As usual, the PNC, following precise instructions, allowed the drunk Salvadorans to make a telephone call. They were able to contact Lt. Col. Julio Guzman Ramon Rivera, a U.S. national. According to a U.S. Embassy report, at 0200 the lieutenant colonel showed up at the PNC barracks accompanied by a woman and a child. The Beretta pistol and the grenade were on the PNC guard commander's table. A PNC sergeant, a corporal in charge of office work, and three PNC security members were in the office. A U.S. Embassy security member, who accompanied Lt. Col. Julio Guzman Ramon Rivera, the woman, and the child, remained outside the building. The woman and the child had come to find out about the three U.S. Embassy security guards, who had been arrested for drunkenness and driving at high speeds in an official vehicle.

According to the report, the U.S. officer took the grenade that was on the table and proceeded to pull out the safety pin, saying it was a toy grenade. The PNC members immediately ran from the PNC office and the grenade exploded. Lt. Col. Julio Guzman Ramon Rivera was taken to the military hospital in serious condition in the PNC vehicle with license plate no. 10-100. The lieutenant colonel died a few hours later.

According to the reports, U.S. Army Lt. Col. Julio Guzman Ramon Rivera, age 47, was taken to the San Salvador judicial center at 0407 in a vehicle with license plate No. 10-100 driven by PNC official Faustino Portillo Espinoza. This is the duly confirmed report on the death of American Lt. Col. Julio Guzman Ramon Rivera.

[San Salvador Radio Cadena YSKL in Spanish at 1809 GMT on 3 April repeats this report, adding that Lt. Col.

Julio Ramon Guzman Rivera was "the chief of security of the U.S. Embassy" in El Salvador.)

## Guatemala

### Gunmen Kill Constitutionality Court President

*PA0204151894 Mexico City NOTIMEX in Spanish 1454 GMT 2 Apr 94*

[Text] Guatemala City, 2 Apr (NOTIMEX)—Constitutionality Court President Epaminondas Gonzalez was killed this morning by a group of unidentified gunmen who shot him as he entered his home, a local radio station reported today.

Sources close to the Gonzalez family said the magistrate was attacked this morning in the downtown Zona Dos neighborhood of the capital a few blocks from the National Palace as he entered his home. He died early this morning. Gonzalez sustained a fatal gunshot wound to the left side of his chest, according to Radio Sonora.

Last week the Constitutionality Court had declared the electoral law reforms being debated by the congressional deputies unconstitutional because "the reforms totally change the law." The reforms were agreed upon by the deputies and President Ramiro de Leon Carpio as part of a package of reforms to the Constitution which was approved in the January referendum.

### Radio Reports Murder of Court President

*PA0204155894 Guatemala City Cadena de Emisoras Unidas in Spanish 1507 GMT 2 Apr 94*

[Report by Diego Andres de Gatica]

[Text] Epaminondas Gonzalez Dubon, president of the Constitutionality Court [CC] and one of the country's most oustanding men in recent times, was killed last night. He was gunned down while driving to his house on Seventh Ave., No. 750, Zone 2. Gonzalez Dubon, 64, was in a 1990 Mitsubishi white sedan with license plate No. 259-899 when two unidentified gunmen driving by in a red car shot him in the chest.

Gonzalez Dubon was rushed to the Latinoamericano Hospital. He was admitted at approximately 2255, but died at 2310. Today, his body was taken to the Mancia Funeral Parlor in downtown Guatemala City, where he will be laid out and later buried.

The Guatemalan state is the first to feel the (?shock) of Gonzalez Dubon's murder, because he was one of the country's most oustanding men. He was a man who was wholeheartedly devoted to his work in the CC, where he had shown ample signs of his virtue, adherence to the law, and a devotion to his work and family.

### De Leon Orders Probe Into Court President's Death

*PA0204173494 Hamburg DPA in Spanish 1624 GMT 2 Apr 94*

[Excerpt] Guatemala City, 2 Apr (DPA)—Magistrate Epaminondas Gonzalez Dubon, president of Guatemla's Constitutionality Court, was killed this morning by unidentified gunmen while driving his car in the company of his wife and son. The shooting occurred just before the family reached their home.

After being notified of the situation, Guatemalan President Ramiro de Leon Carpio expressed his dismay at the news, Information Secretary Felix Loarca Guzman told DPA. De Leon immediately ordered Interior Minister Danilo Parinello to conduct an exhaustive investigation and to put his best men on the case, Loarca stated.

The Constitutionality Court is currently the court in Guatemala with the most credibility and trust. It was instrumental in mantaining the de jure state following the incidents of last May when then-President Jorge Serrano Elias dissolved Congress and the Supreme Court and attempted to govern with absolute power. At that time, the Constitutionality Court outlined the legal and constitutional path that should be followed by the Army. Gonzalez Dubon, in a historic and solemn act attended by the diplomatic corps accredited to the country, announced that state institutions would be maintained while deposed President Serrano was replaced. Shortly after this occurred, current President Ramiro de Leon Carpio was elected. [passage omitted]

### Comments on Slaying

*PA0304163494 Guatemala City Cadena de Emisoras Unidas in Spanish 1454 GMT 3 Apr 94*

[Text] President Ramiro de Leon Carpio, accompanied by his cabinet, made statements to the media and said certain details about national security will possibly be made known today. Let us listen to the Guatemalan president:

[Begin recording] [De Leon] [Words indistinct] in the same building, he was my teacher, and was specially recognized as a jurist. The Guatemalan people appreciated him greatly as a lawyer. Finally, he was president of the Constitutional Court, a mandate that was about to end. He did an outstanding job there, not only during the 25 May incidents, in which we returned to the institutional and constitutional order that had been broken by former President Jorge Serrano Elias, but during recent actions carried out by the court. He recently ruled that the electoral and political party law was unconstitutional. [Words indistinct] his actions as head of this court, the highest in the country in charge of constitutional matters.

It has been a hard blow for me personally. I appreciated him greatly; we were friends. And from the institutional point of view, as president I regretted his death from the moment I learned of it. I was not in the capital but I

ordered the necessary investigations and we hope there is sufficient evidence to locate the criminals. We do not have the words to express our sorrow. We cannot understand how it could have happened to a person who loved peace and freedom for which he fought.

Once again the Guatemalan family has to deal with an act of violence. Guatemala is going through difficult moments from the point of view of citizen's security and the government is willing to take all the necessary measures to restrain this wave of violence, which is adversely affecting all social classes. As we said in the beginning, this is something for which we cannot find the necessary words to explain [words indistinct] no matter from where it comes.

[Unidentified reporter] [Question indistinct]

[De Leon] We do not know yet. The truth is that [words indistinct] enough evidence. Today the Government Ministry, through its experts, will reveal details of the unfortunate incident. We cannot confirm or rule out anything [words indistinct].

[Reporter] [Question indistinct]

[De Leon] We do not really know what the reason was [words indistinct]. [end recording]

The president said that up until now, this incident could not be described as a political crime, but that at 1600 [2200 GMT] the Government Ministry will reveal the results of the preliminary investigation.

### Government Condemns Murder

*PA0304002194 Guatemala City Cadena de Emisoras Unidas in Spanish 2317 GMT 2 Apr 94*

[Communique issued by the Public Relations Secretariat of the Presidency in Guatemala City on 2 April—read by announcer]

[Text] President Ramiro de Leon Carpio has said the government of the Republic hereby condemns the murder of Chief Justice Eduardo Epaminondas Gonzalez, president of the Constitutionality Court [CC], and has ordered an exhaustive investigation into the incident. The president said he was a close friend of the slain attorney, for whom he had great respect. The president was appalled by this undescribable crime, which has caused him great consternation. Such feelings are most surely shared by the people of Guatemala.

We began an investigation as soon as we learned the news, the president added, assigning the case to the best investigative specialists available to the security forces. De Leon Carpio said the investigative teams have instructions to use all resources at their disposal to capture the perpetrators. De Leon added Gonzalez' death means the loss of a model Guatemalan citizen, a jurist of renowned prestige, and a true defender of democracy and peace. De Leon recalled that Justice Gonzalez, as CC president, played a leading role last year by enacting the resolutions that restored constitutional order following the events of 25 May.

In condemning this crime, De Leon stated, the government reaffirms its determination to press on with its efforts to establish an atmosphere of security and coexistence in Guatemala. He concluded by expressing his condolences to Gonzalez' family, as well as his fellow justices, CC officials, and administrative personnel, wishing them forbearance in this moment of tragedy.

### Supreme Court Condemns Murder of Court President

*PA0304045694 Guatemala City Cadena de Emisoras Unidas in Spanish 0342 GMT 3 Apr 94*

[Communique Issued by the Supreme Court read by Justice Juan Jose Rodil Peralta in Guatemala City on 2 April; from the "Patrullaje Informativo" newscast—recorded]

[Text] Supreme Court Justice Juan Jose Rodil Peralta has condemned the murder of Epaminondas Gonzalez Dubon:

[Begin Rodil recording] You are going to be the first to know this information. The Supreme Court is drafting a communique, and I am going it to read to you. You will be the first media source to have it. The communique states the following:

The presidency of the judicial branch, representing the Supreme Court of Justice, has heard with astonishment and indignation of the vile assassination of Constitutional Court President Epaminondas Gonzalez Dubon. We manifest our strong condemnation and aversion for this sad occurrence, which directly attacks the state of law and the legal regime. To silence with bullets the voice of the leading authority in the defense of our Constitution directly attacks the state of law and the legal regime, the basic supports of our democratic life, and, in essence, negatively affects all Guatemalans.

We state this vile and cowardly action clearly shows the vandals and assassins, who caused bloodshed in Guatemala in the past, are active and are now attempting to destroy the Guatemalan democratic process again and, with it, the defense of human rights and the demands for social justice for the Guatemalans who live between violence and poverty. The murder of the president of the Constitutionality Court threatens, in essence, freedom in Guatemala.

We demand the government of the Republic, headed by President Ramiro de Leon Carpio, immediately implement each and every measures established in the Constitution to safeguard the state of law and the legal regime, which are being threatened as never before in the current Guatemalan democratic process. At the same time, it must order all civilian and military investigation offices, which the state controls, to direct all their efforts to determine promptly and efficiently the truth of the

events so that the material and intellectual authors of Epaminondas Gonzalez Dubon's murder can be punished in an exemplary manner and with all the weight of the law.

With great sadness and pain, we send our heartfelt condolences to Epaminondas Gonzalez Dubon's relatives and hope they will find acceptance in our Christian values.

This is the Supreme Court of Justice communique, which we are finishing right now and giving "Patrullaje Informativo" as a scoop. [end recording]

### Issues Statement on Murder

*PA0204223194 Guatemala City Cadena de Emisoras Unidas in Spanish 2125 GMT 2 Apr 94*

[Report by Donald Gonzalez]

[Text] The Constitutionality Court issued a statement today. The document states, as you all know, that Constitutionality Court President Epaminondas Gonzalez Dubon was murdered yesterday and that the following points must be duly considered:

The first point strongly condemns the murder of Constitutionality Court President Epaminandas Gonzalez Dubon. The second point is very important. The Constitutional Court warns authorities to refrain from labeling the crime a priority before concluding the investigations because this [words indistinct] the magnitude of the crime but also mars the victim's outstanding honor. Third, it expresses its sincere condolences to Gonzalez' relatives, and fourth it will send a copy of this statement to the constitutional courts of friendly countries.

The Constitutionality Court issued this statement today on the murder of its president, Magistrate Epaminondas Gonzalez Dubon. It is signed by acting President (Daniel Larios Cifuentes) and Magistrates Edmundo Vasquez Martinez, Jose Antonio Monzono Juarez, Manuel Arturo Garcia, Carlos Enrique Reinoso Sill, and (Abel Gonzalez Rivas).

### Congress President Condemns Court President Murder

*PA0204162894 Guatemala City Cadena de Emisoras Unidas in Spanish 1530 GMT 2 Apr 94*

[Report by Lucia Dubon from the "News Patrol" newscast]

[Text] We are starting to receive the first reactions from the political world to the murder of Constitutionality Court President Epaminondas Gonzalez Dubon. We now have statements from National Congress President Vinicio Villar Anleu condemning the murder.

[Begin Villar recording] That is correct. In all actuality, once more, we must condemn these violent incidents taking place in our country. We are not just condemning the violent act against Constitutionality Court President Epaminondas Gonzalez, but acts aganst any human being, any Guatemalan.

I believe we are still living in a time in which all Guatemalans must reflect, ponder, and try to live in a state of law where the law will be respected over everything else, and I think we must not take the law into our own hands. This is a very unfortunate incident. As National Congress president, I would like to take the opportunity to express my condolences to the relatives of Mr. Epaminondas Gonzalez, and most naturally to all of Guatemala for these violent incidents we are experiencing—all of which are very unfortunate.

Events like this leave a lot to be desired from a country seeking to progress through understanding and dialogue. We oppose this unfortunate act and we strongly condemn it. At the same time, we call on the executive branch to put a stop to this rise in criminal activity and to acts of violence against Guatemala's political and professional sectors. We regret what has happened and hope the government can rapidly clarify, as is done in other countries, the origins of this act, of this violent death that befell the president of the Constitutionality Court. [end recording]

### Military Personnel Assist With Crime Prevention

*PA0304040994 Guatemala City Cadena de Emisoras Unidas in Spanish 0259 GMT 3 Apr 94*

[Report by Andres de Leon—live]

[Text] Thousands of our Emisoras Unidas listeners have been calling to report the presence of military personnel along the streets and avenues of the capital. We must inform you this is part of the crime prevention operation to provide security for the Guatemalans traveling into the city from various points around the countryside.

Police, the Treasury Guard, and the Guatemalan Army are guarding access routes. No abnormal activity has been reported; everything is under control. Military personnel have been assigned to assist the police, and the Treasury Guard is checking those coming in from the countryside or leaving Guatemala City via one of the main access routes.

We have also learned military units are controlling the main entrance routes, specifically Puente de Belize, Incienso, and El Trebol, as well as key electricity high-tension pylons in the capital city, as prevention measures against terrorism. We hereby inform Guatemalans there is nothing abnormal going on in the country. The military personnel are assisting with security for those moving in an out of the city.

### Rebel Group Condemns Court President's Murder

*PA0304204994 Hamburg DPA in Spanish 1944 GMT 3 Apr 94*

[Text] Mexico City, 3 Apr (DPA)—Today, the Guatemalan National Revolutionary Unity [URNG] condemned the assassination of Epaminondas Gonzalez Dubon, president of the Guatemalan Constitutionality Court. The URNG said this "abominable incident" undermines the human rights agreement signed with the government. According to a URNG communique published in Mexico City, the magistrate's assassination "bluntly reveals the opposition that exists within government sectors, particularly within the Army, to the Global Agreement on Human Rights," which was signed in Mexico City on 29 March.

Gonzalez Dubon died in the early hours of 2 April as a result of an attack in downtown Guatemala City by several unidentified men who shot him while he was driving home. Police have called the attack an "apparent robbery attempt," but several prominent members of the political and legal professions pointed to death squads as possible culprits.

In its communique, the URNG said the assassination of the Constitutional Court president "is aimed at limiting the role of the people, which had been opened by the aforementioned agreement in the area of human rights." The communique added: "It is important for the government of President Ramiro de Leon Carpio and the Guatemalan Army to completely fulfill without delay the promises made to the Guatemalan people and the United Nations as the only way to uproot repression, assassination, and barbaric acts from our fatherland."

The URNG also demanded that the security corps and the Guatemalan Army be purged "of the assassins opposed to peace and human rights" and deemed that "thorough measures, not just publicity and cosmetic measures," are needed. Meanwhile, the guerrillas also called on the United Nations, the mediator in the peace talks between the government and the URNG, to send a preparatory mission for the verification of human rights to Guatemala "without delay" as established in the agreements signed in Mexico City.

### Human Rights Ombudsman on Court President Murder

*PA0204220794 Mexico City NOTIMEX in Spanish 2046 GMT 2 Apr 94*

[Excerpt] Guatemala City, 2 Apr (NOTIMEX)—[passage omitted] The hope for peace in Guatemala seems to fade with the murder of Chief Justice Eduardo Epaminondas Gonzalez, president of the country's highest constitutional authority, during the predawn hours of Holy Saturday. Human Rights Ombudsman Jorge Mario Garcia Laguardia said the murder is a "national absurdity" perpetrated by "savages" who have dealt a heavy blow against the Constitutionality Court. He expressed regret such actions could occur when there "seemed" to be hope for peace in the country, following the signing of the human rights agreements between the government and the guerrillas. He demanded the authorities find and punish the guilty.

Holy Week ceremonies have also seen attacks against a cousin of former President Jorge Serrano Elias and journalist Marco Tulio Roca, the murder of a street child, and the lynching of a U.S. tourist. The Catholic Church has asked Guatemalans not to "falter" in this wave of violence and impunity, and has asked the government to seriously face the task of attaining peace.

### Ministry, Police Communique on Court President's Murder

*PA0304222394 Guatemala City Cadena de Emisoras Unidas in Spanish 2123 GMT 3 Apr 94*

[Communique from the Government Ministry and the National Police on the murder of Constitutionality Court President Epaminondas Gonzalez Dubon; issued in Guatemala City on 3 April—read by announcer]

[Text] Through this document, which is related to the events that took place in Guatemala City during the evening hours of Good Friday, the Government Ministry and the National Police hereby take the opportunity to advise the public of the following:

On 1 April 1994, in a failed vehicle robbery attempt, Mr. Epaminondas Gonzalez Dubon, president of Guatemala's Constitutionality Court, was murdered in the presence of his wife and youngest son.

In condemning this villainous crime, National Police authorities hereby report they are already searching for the parties responsible for this crime in light of evidence gathered at the scene of the crime. The police are also receiving support from the Guatemalan Armed Forces. The National Police Criminal Investigation Department is working arduously to locate, in the shortest time possible, those individuals responsible for this crime and to turn them over to the appropriate courts of law.

Because we live in a democracy and because Mr. Gonzalez Dubon's activities were transparent, he readily refused to be escorted by security guards which, unfortunately, proved to be advantageous for the criminals.

The security forces will utilize all of their expertise in investigating this murder. Nevertheless, the Guatemalan people's cooperation is being requested to expedite the investigation. All Guatemalans are also urged to provide any evidence that may lead to identifying the murderers.

### Police Spokesman on Probe Into Court President's Death

*PA0404003194 Guatemala City Cadena de Emisoras Unidas in Spanish 2234 GMT 3 Apr 94*

[Report by Lucia Dubon]

[Excerpt] A news conference by National Police spokesman Fernando Lopez has just concluded in the parking lot of the 2d Division Headquarters of the National Police. Some very important information was disclosed regarding the status of the investigation into the murder of the Constitutionality Court President Epaminondas Gonzalez Dubon. Here are some statements by National Police spokesman Fernando Lopez:

[Begin Lopez recording] [words indistinct] members of the domestic and international press so that you as well as the Guatemalan people can get an idea of the condition in which Magistrate Epaminondas Gonzalez Dubon's vehicle was found. Again, the incident took place at the intersection of Seventh Street and Seventh Avenue in Guatemala City's Zone 2.

The National Police Directorate condemns this murder and would like to report to the Guatemalan people that it has already issued instructions to the National Police Criminal Investigation Department to assign its best personnel to each and every area of this investigation. In addition, we would like to disclose that any developments with respect to the case will be immediately reported to the National Police director, the government minister, and to the president of the Republic.

As you may know, we recovered five .38 caliber bullets. This one was taken out of the body of Magistrate Epaminondas Gonzalez Dubon. This one is a fragment found inside the vehicle. As you can see, when it hit the car it split into [words indistinct] and the rest was found in the magistrate's body. This one was found in the door of the vehicle, and this other bullet was found in the [word indistinct] located in the rear. This bullet was found in the trunk, and this one was embedded in the vehicle's spare tire.

These five bullets correspond to the five shots fired at the vehicle. When we combed the area, we discovered a .45 caliber bullet that has nothing to do with the bullets that hit the magistrate's car. This bullet was found approximately 50 meters from the site where the .38 caliber bullets were found. By looking at the car, you can see these three impacts [words indistinct]. The only bullet to hit the magistrate was this one, and, according to reports, it entered the left side of his chest, and this was what caused his death.

In terms of national security, we would like to report that [words indistinct] to locate those individuals responsible. The National Police also are requesting cooperation from the Guatemalan people, urging them to provide any information which might help us solve this case. Their assistance will be well-received because it will help us locate the people responsible for this crime. [end recording]

These were statements by National Police spokesman Fernando Lopez, who condemned this gruesome crime and noted that National Police authorities are already searching for those responsible for this crime based on evidence gathered at the scene of the crime. The police spokesman also disclosed that the country's security forces are cooperating in solving this case. This includes the Guatemalan Armed Forces. [passage omitted]

## Slaying of Court President Said No 'Isolated Incident'

*PA0304031894 Hamburg DPA in Spanish 0017 GMT 3 Apr 94*

[Excerpts] Guatemala City, 2 Apr (DPA)—The slaying of Constitutionality Court President Epaminondas Gonzalez Dubon is not an isolated incident, much less a common crime, personalities we have consulted have told DPA. [passage omitted] Meanwhile, Supreme Court President Juan Jose Rodil Peralta issued a strong statement condemning the killing, which adversely affects the state of law in Guatemala. Rodil Peralta added this killing demonstrates those responsible for numerous acts of violence in the past are still on the loose.

Gonzalez Dubon's wife, the main witness to the killing, said she does not believe the motive of the killing was a car theft, as certain versions have reported. She added there was no attempt to steal the car, and the assailants unloaded their weapons into the car, damaging it badly.

According to another version, unidentified gunmen were following Gonzalez, who tried to take shelter in his home, where they reached him. Apparently, police protection at the victim's home had been withdrawn due to the recent change of the interior minister. Gonzalez' body was taken to a funeral parlor, where several people have come to express their condolences, including lawyers, former magistrates, and other Guatemalan political personalities. Gonzalez's funeral was scheduled for tomorrow, after being honored at the Constitutionality Court.

## President Considers Declaring State of Emergency

*PA0404020594 Mexico City NOTIMEX in Spanish 1701 GMT 3 Apr 94*

[Text] Guatemala City, 3 Apr (NOTIMEX)—Today, Guatemalan President Ramiro De Leon Carpio announced he might declare a state of emergency as result of the murder of Constitutionality Court President Epaminondas Gonzalez in the next few days. De Leon made the announcement during the funeral services of one of the country's most distinguished legal experts. The murder, which was carried out early yesterday by unknown gunmen, has been condemned by all sectors of the country. The president acknowledged that he has considered the possibility of declaring a state of emergency but that the measure will have to be approved this week by the State Council of Ministers.

On Friday, Government Minister Danilo Parinello announced that a possible state of emergency declaration is being reviewed as result of numerous crimes, attacks, and disturbances taking place throughout the country and threatening to become a national catastrophe. Last

week, journalist Marco Tulio de la Roca was shot and, as result, lost his left eye. In addition, Francisco Elias, the cousin of former President Jorge Elias Serrano, was also shot and remains in serious conditions at a private hospital. There was also the recent murder of a so-called "street child" and a mob attacked an American citizen in the northern community of San Cristobal Verapaz, after being accused of attempting to abduct a small boy. Another American tourist was fired on for no apparent reason by a group of unknown individuals on a Guatemala City street.

Gonzalez's murder has disturbed the country's judicial, union, government, church, and diplomatic communities, which believe the murder will become just another of the countless crimes that go unpunished in this Central American nation.

Yesterday, De Leon announced he had ordered an in-depth investigation to locate the murderers of the Constitutionality Court magistrate, whom he described as an "outstanding citizen, prestigious jurist, and an authentic advocate of democracy and peace in Guatemala." This past July, however, when the president's cousin Jorge Carpio Nicolle, editor of EL GRAFICO newspaper and secretary general of the Union of the National Center party [UCN], was murdered, De Leon appointed a special commission to investigate the crime, which to date has failed to accomplish anything. The Catholic Church and Carpio Nicolle's relatives, who were present when the journalist was murdered along with three other people, insist that the murder was carried out by the paramilitary Civilian Self-Defense Patrols (PAC), but the authorities have dismissed these claims.

The archbishop of Guatemala and the human rights ombudsman have said it is De Leon's moral duty to solve the Gonzalez murder, which occurred just 10 days before Gonzalez was to conclude his term as Constitutional Court president. He was killed four days after the court had ruled that Congress-approved reforms to the Electoral and Political Parties Law were unconstitutional. Gonzalez had argued that the deputies not only modified the law but, in fact, created a new law. He ruled that this was illegal because the Electoral and Political Parties Law can only be repealed by a national constituent assembly.

The reforms are aimed at increasing the number of congressional deputies as well as establishing that any party that does not field candidates in an election for deputies should be taken off the official political parties list. Moreover, the congressional deputies affected by the new law rejected the independence of the Supreme Electoral Tribunal and opened the way for civic committees to participate in the election process.

The new election law also required the resignation of all political party members holding government positions and whose leader occupied the Presidency [alta magistratura], and also changed name of the new law to the "Election and People's Organization Law [Ley Electoral y de Organizationces Populares]."

Gonzalez presided over the Constitutionality Court when it ruled against the 25 May 1993 "self-inflicted coup" carried out by then-President Jorge Serrano. The court's decision proved decisive in reestablishing constitutional order in Guatemala.

## GAM Says Emergency Decree Will Worsen Situation

*PA0404023094 Guatemala City Cadena de Emisoras Unidas in Spanish 2224 GMT 3 Apr 94*

[Report by Julita Corrado]

Text] The Mutual Support Group [GAM] has issued a communique denouncing and lamenting the assassination of Epaminondas Gonzalez, saying this crime highlights the perilous conditions under which the population is living, as well as the government's unwillingness and inability to find solutions. Although it is likely a state of emergency will be declared, GAM believes this will only worsen the situation.

The assassination of the Constitutionality Court president is a harsh blow against the institutional and constitutional order that prevails in Guatemala because the Constitutionality Court is the guarantor of rights in Guatemala. The GAM pointed out that it believes militant sectors may have ordered and carried out Gonzalez's assassination, thereby employing violence and impunity in response to the recent signing of the human rights agreement to prevent the creation of the Truth Commission and to hinder the subsequent signing of a fair and democratic peace agreement.

The GAM communique concludes by asking the president and security authorities to readily and resolutely investigate this unofficial execution. Such an investigation will lead us to the whereabouts and identities of the perpetrators and masterminds of this crime. These people must be prosecuted to establish a precedent of stopping impunity in the country and to prevent the Epaminondas Gonzalez case from joining the already long list of unsolved crimes.

## U.S. Citizen Sustains Irreversible Brain Damage

*PA0204025194 Guatemala City Cadena de Emisoras Unidas in Spanish 0137 GMT 2 Apr 94*

[Report by Diego Andres de Gatica]

[Text] U.S. citizen (June Diane Tomarweeks), 54, has irreversible brain damage. She is in the intensive care ward of Herrera Llerandi Hospital, Guatemala City. The medical report states her condition has stabilized, but she will have to remain in intensive care. Physicians have reported they had planned to send her to the United States, but the trip will have to wait at least four or five days.

A mob that confused her with a child kidnapper attacked the U.S. citizen in San Cristobal Alta Verapaz. The hospital information indicates her condition has stabilized but that the damage to her brain is irreversible.

## Government Minister on Security

*PA0104200394 Guatemala City PRENSA LIBRE in Spanish 27 Mar 94 p 6*

[Interview with new Government Minister Danilo Parrinello Blanco by Jeovany Ibanez; place and date not given]

[Text] [Ibanez] Why did you accept the appointment of government minister at a time when the country is experiencing a political, economic, and social crisis, which in turn has led to a complete lack of security?

[Parrinello] Because I am optimistic and feel certain that we can do something for Guatemala. I am aware of the responsibility I assumed and know that a difficult task awaits me. We must be realistic, however. We know we cannot fully resolve the security problem, but we can lay the groundwork for society to walk the path of justice. We must struggle to recover the values we have lost—ethics, respect for the family, church, and homeland. We Guatemalans need a reassessment of moral values. It is a difficult process, but it must be started soon. I have been given an opportunity and I am determined to use it.

[Ibanez] Why do you think you can succeed where many others have failed?

[Parrinello] I trust myself and my team. Ortiz Moscoso had good intentions, but he is the one who should talk about why he failed. We will show, with short-term results, that we can provide the security Guatemalans desire. For this reason, I have outlined an emergency plan to be put into effect within the next 60 days. We will see what happens after that date.

[Ibanez] What methods will you use to attain results and what experience do you have in security matters?

[Parrinello] I have used my first days in office to organize a full team, which includes National Police [PN] directors, immigration officials, and Finance Police, two deputy ministers, and several advisers to outline strategies to fight crime. The team complements the plan I have already mentioned. Regarding your second question, I have prepared myself for the post of government minister, not for PN director. I have taken courses related to security issues in the United States and Brazil.

[Ibanez] Security is a universal demand. How do you intend to meet this nationwide need?

[Parrinello] We are aware of a great lack of security, which has created a climate of instability and led people to mistrust the authorities. My most important role at this time, however, is to restore social order. I am certain that, with the creation of the Immediate Reaction Platoon, which will be an elite PN group initially comprising 300 men, we will fight crime better. We will work vigorously and in some cases employ reasonable uses of force. Also, an investigation section will be created, which will operate independently from the PN's Criminal Investigations Department.

A special remanding unit, which will try to prevent judges from releasing criminals because of police errors, will also be created. Respect for human rights and compliance with the law are part of my principles, and I intend to stick to them while in office. Nevertheless, I will also use all available resources and mechanisms to prevent crime. We are determined to raise the status of the police to one of dignity. In exchange, we will demand that the police make a commitment to the people. As for weapons, patrol cars, and other equipment, we will update these to curb crime.

[Ibanez] How do you intend to carry out these plans considering there is not an adequate budget to fund programs of this kind?

[Parrinello] It is true that a shortage of resources is one of our greatest problems. Nevertheless, I not only have the president of the Republic's backing, but I also have been offered economic support from private sector representatives willing to cooperate with the government. This support represents a mutual benefit. This is why we will create a kind of patronage or committee to manage the funds we will collect. In addition, we will seek advice on security matters. Meanwhile, we will do our best with whatever we have. Also, we will ask the government to allocate the necessary funds so people can have a PN that truly offers protection.

[Ibanez] People do not trust the police. How will you change this image?

[Parrinello] We are aware of this. For this reason, we do not intend to reorganize it but to start a program to purge it, whereby police officials involved in corruption will be fired and tried. For this purpose, I have appointed a PN director who will be responsible for initiating the appropriate proceedings. Nevertheless, we must be realistic and admit that we do not have a magical formula to purge the PN.

[Ibanez] How do you explain the appointment of a military officer as deputy minister in charge of security? Does this appointment represent the establishment of a hard-line in the Government Ministry?

[Parrinello] I want to be very clear on Colonel Merida's appointment. In relation to his appointment, there was no pressure and there will be none in any other appointment I might make. I nominated him because he is a very good friend of mine, because I have confirmed that he is truly a security expert, and because he will contribute all of his expertise to eradicating crime. As for the hard line, I am willing to do a good job. This means I will act with

a heavy hand, but according to law so no one can violate the Guatemalan people's rights.

## Nicaragua

### Government Coordinates To Guarantee Disarmament

*PA0104135494 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 25 Mar 94*

[From the "National Newscast"]

[Text] Government Minister Alfredo Mendieta has said that recent kidnappings and the assassination of Javier Barahona, the deputy mayor of Wiwili, are desperate actions by criminal gangs trying to undermine peace. Mendieta added that the government is working to combat this situation.

[Begin Mendieta recording] We are prepared to fully guarantee that the disarmament process of the 3-80 Northern Front will conclude satisfactorily on 8 April, as scheduled, and that the second phase of disarmament will begin tomorrow without any delay. [end recording]

Mendieta said he would meet with high-ranking EPS [Sandinist People's Army] officers to counter the criminal gangs.

[Begin recording of Colonel Oswaldo Lacayo, member of the EPS General Staff] We will conduct operations in full coordination with the group being disarmed in the areas surrounding the 3-80 Northern Front disarmament area to prevent any problems. [end recording]

According to the EPS, gangs such as those under the command of Charro, Nortiel, and Omar are trying to hinder the disarmament process, but the International Commission of Support and Verification-OAS [CIAV-OAS] believes the peace process is well under way.

[Begin recording of Sergio Carabana, CIAV-OAS representative] These incidents are isolated. I believe the government will take steps in this regard, and we will help conduct a thorough investigation to find the culprits. [end recording]

The CIAV-OAS will propose that Barahona's case be discussed by the tripartite commission.

### Government Discusses Signing of ESAF Accord

*PA0104135594 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 25 Mar 94*

[Report by Maria Elsa Suarez from the "National Newscast"]

[Text] The government has held a nine-hour meeting to discuss the significance of the signing of the ESAF [Enhanced Structural Adjustment Facility] Agreement with the IMF. This meeting was attended by 58 delegations from across the nation and included representatives from unions, Army, police, political parties, producers, businessmen, mayors, and media directors.

At the beginning of the meeting, President Chamorro called for a moment of silence for the recent assassinations of Javier Barahona in Wiwili and Donaldo Colosio in Mexico. Chamorro later asserted that stability will lead to the country's growth. She also welcomed the recent visit by the IMF director and the International Development Bank president, who granted additional resources to support production. In addition to this, she underscored the importance of signing the ESAF Agreement.

[Begin Chamorro recording] This agreement will enable us to obtain additional resources that are unavailable to other countries that have not complied with the economic plans and commitments assumed with the international financial institutions [IFI's]. Today, I have asked cabinet members to brief you on the progress made in our negotiations with the IFI's so that we can have your valuable contributions and recommendations. [end recording]

During this meeting, all sectors presented their positions regarding the ESAF accord. The president of the Central Bank and the minister of finance presented a detailed report on the current situation and ESAF conditions.

[Begin Central Bank President Jose Taboada recording] The reforms now being negotiated with the IFI's have been discussed extensively, and, as a result of successive negotiations, some conditions or aspects that were considered vital during the initial negotiations have been overcome. [end recording]

## Panama

### Public Force Destroys Coca Fields in Darien

*PA0104204494 Panama City LA PRENSA in Spanish 28 Mar 94 p 1A*

[Report by Ibeth Vega G.]

[Text] Panamanian Public Force, with the aid of the U.S. military and in coordination with Colombian authorities, have destroyed at least 10 coca fields in Darien Province and detained an undisclosed number of people. Operation Tornado, directed by Major Santiago Fundora of the National Air Service (SAN), was confirmed to LA PRENSA by President Guillermo Endara himself, who thanked the newspaper for not reporting on the operation before its completion, even though the newspaper had received all of the information well ahead of time.

Operation Tornado was launched Saturday morning when three teams—one from the SAN, one from the National Police, and one from the Institutional Protection Service (SPI)—flew to Darien aboard several SAN helicopters to destroy the coca fields, whose acreage was

not disclosed. The groups also destroyed coca-processing labs in the region along the border with Colombia.

On 27 March, Fundora reported that the operation had been "a complete success" to Endara because at least 10 coca fields had been destroyed. Endara said the Panamanian authorities also set fire to several huts presumed to be small coca-processing labs. He also confirmed that several people were caught and handed over to the proper authorities.

One source, who asked to remain anonymous, said Operation Tornado was carried out quickly and without any clashes. Those arrested were taken by surprise in the afternoon and evening of last Saturday. The operation was nearly complete yesterday, Sunday morning, although several coca fields, allegedly planted by Colombians, had yet to be destroyed.

The source said Panamanian and Colombian authorities took part in the operation, along with the U.S. Government's logistical support through the U.S. Embassy in Panama. The source also told LA PRENSA that the authorities are looking for a hacienda worth several millions of dollars located somewhere in the Darien jungle. Endara said: "I have been told that the operation was a complete success. The second stage consists of burning other fields that were found."

Members of the special teams that participated in Operation Tornado are still in Darien. They are expected to begin returning to Panama City today provided no trouble arises with guerrillas in the Palle area who have threatened to shoot down Public Force planes and helicopters. Endara did not reveal the size or exact location of the coca fields destroyed or the number of police who took part in the operation. An official report is expected to be released today, however.

Panamanian and Colombian security forces have been carrying out a coordinated work against drug trafficking and to heighten border security to prevent a number of crimes perpetrated in and around the jungle. This type of work started to be carried out in the framework of good-neighbor commissions that Presidents Endara and Cesar Gaviria installed last year. As part of the effort, a number of Pamamanian agents have received police training in Colombia.

In addition to fighting drug trafficking, the two countries have been implementing a process of rapprochement and cooperation on energy, trade, culture, and agriculture and livestock, according to official reports of the two governments.

### Colombian Guerrillas Protect Plantations

*PA0104154694 Panama City LA PRENSA in Spanish 29 Mar 94 p3*

[Report by Vilma E. Figueroa]

[Text] Narcotics Division Chief Ramiro Yarvis of the Judicial Technical Police (PTJ) has said "clandestine ports" all across the country are being used by drug traffickers to smuggle drugs. Yarvis indicated that Darien Province, currently the site of an operation to destroy coca plantations, is just one of the areas in which drug traffickers harvest the drug. He added that Colombian guerrillas protect the coca plantations in Darien, where hostile and remote terrain makes entering the jungle difficult. He admitted that other drug laboratories in Darien may not have been destroyed. Yarvis said the technical and personnel resources available to state security agencies, the PTJ, National Air Service, and the National Maritime Service are virtually incapable of combating this problem. "There is a huge number of clandestine ports being used to smuggle drugs," he noted.

Former National Customs Director Rodrigo Arosemena told reporters that a bill to authorize the destruction of drugs 24 hours after they are seized is necessary to stop drug traffickers who are flooding the country with drugs.

### Foreign Trade Director on Free Trade Agreements

*PA0304040494 Panama City EL PANAMA AMERICA in Spanish 28 Mar 94 p 1D*

[Article by Viodelda Barrias]

[Text] Free trade agreements are not new to Panama's commercial relations. The country has been maintaining such agreements with Central America since the 1970's. Panama has bilateral preferential commercial agreements with Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. This kind of contract, however, is not limited to the region. Panama has also signed treaties with members of the Latin American Integration Association (Aladi), specifically Mexico and Colombia. In addition, the government is forwarding talks in that direction with Ecuador and Venezuela.

Carlos Castaneda, director of the Panamanian Foreign Trade Institute (IPCE), has told EL PANAMA AMERICA "all these agreements are directed at increasing and strengthening commercial relations between contracting parties." The official said that "with such agreements, Panama has achieved a sustained increase in its trade relations with Central America." Statistics indicate a total of approximately $100 million in overall commercial activities between Panama and Central America. The official said this result benefits the business sector and, consequently, the country's economic policy. The figures show 62 percent of that amount represents imports from Central America into Panama, which suggests a trade balance deficit for the country.

The IPCE director argued Panama is an importing country, given its service-oriented economy. He added overall trade figures for Panama and the rest of the world total $2 billion, 1.5 billion of which are imports. Costa Rica is Panama's major economic partner with 56.3 percent of the total. Guatemala (21 percent), El Salvador (13.8 percent), Honduras (5.8 percent), and Nicaragua (2.3 percent) follow in order of importance.

Under these commercial contracts, Panama has exported $37.4-million worth of goods, of which $21.7 million are the product of negotiations with Costa Rica. According to official figures, Costa Rica sold Panama more than $47 million last year, while it purchased $35 million.

The main products Panama exports via these preferential and free trade agreements are medicines, condensed milk, spices and condiments, tomato-based products, mayonnaise, cheese, cosmetics, packaged tea, shrimp, and aluminum containers. Panama receives mostly chemicals, fertilizers, and batteries from Central America.

Regarding trade relations with Mexico and Colombia, Castaneda said Panama has signed several partial preference agreements. Concerning Mexico, import tax preferences are unilateral and nonreciprocal in Panama's favor, meaning 110 products entering Mexico under the agreement receive partial tax exemptions, but Panama is not obligated to grant these same privileges.

Trade with Colombia, based on a recent agreement signed in July 1993 and pending approval at the National Assembly, includes 10 products yet to be negotiated. It is expected the agreement will lead to higher levels than with Central America, due to the development and size of the Colombian market, with its more than 40 million inhabitants.

## Deputy Commerce Minister on Banana Situation

*PA0304043294 Panama City Circuito RPC Television in Spanish 2300 GMT 30 Mar 94*

[Report by Ciro Ortega from the "RPC Television News" newscast]

[Text] Harmodio Arias, deputy commerce and industries minister, has referred to the banana situation, saying that economic interests and not Latin American unity seem to prevail on this issue and that Costa Rica had not reciprocated Panama's actions in the banana business. Colombia's and Costa Rica's decision to negotiate, on their own, a banana agreement with the European Union negatively affects Latin American unity and directly harms Panama, Harmodio Arias has said.

[Begin Arias recording] I believe this shows there is no Latin American unity. With Costa Rica, we have respected our promise to vote for Costa Rican Foreign Minister Bernd Niehaus [at the OAS elections], but they have broken our unity on the banana issue. [end recording]

Arias said Colombia and Costa Rica want to get the best part of the banana business with Europe without caring about the rest of the region, and this cannot be.

[Begin recording] [Arias] We cannot accept a quota for each country; this goes against everything that deals with free trade. It is not possible for several European gentlemen to be the ones to decide Panama only has the right to export 19 percent of bananas consumed by the European Economic Community.

[Unidentified reporter] What does this 19 percent represent regarding our interests, farms, and workers? How much will this hurt us?

[Arias] Crumbs. We are left with crumbs. Panama exports 70 percent of its banana production to Europe; thus, we have been left with only crumbs. [end recording]

Arias was emphatic when he said the other banana-producing countries will not allow unilateral agreements with the European Union and will negotiate as a block to obtain added economic advantages.

## Brazil

### Poll: Lula da Silva Leads, Cardoso Second

*PY0104193394 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 31 Mar 94*

[Excerpts] A new poll conducted by Ibope [Brazilian Public Opinion and Statistics Institute] reveals how Brazilians would vote if the presidential elections were held today.

The poll took into account three different candidates for the PMDB [Brazilian Democratic Movement Party] because the party has not yet elected its presidential candidate.

According to Ibope if the elections were held today, Workers Party candidate Inacio Lula Da Silva would be in first place with 33 percent of the votes. Former Finance Minister Fernando Henrique Cardoso of the PSDB [Brazilian Social Democracy Party] would be in second place with 14 percent. Sao Paulo Mayor Paulo Maluf of the PPR [Progressive Renewal Party] would be in third place with 10 percent. Rio de Janeiro Governor Leonel Brizola of the PDT [Democratic Labor Party] would be fourth with 8 percent, and Bahia Governor Antonio Carlos Magalhaes of the PFL [Liberal Front Party] would be fifth with 5 percent. If the PMDB candidate were former Sao Paulo Governor Orestes Quercia, he would be in sixth place with 4 percent. Flavio Rocha of the Liberal Party would be seventh with 1 percent. The undecided, blank, and null votes would be 25 percent. [passage omitted]

If Senator Jose Sarney were the candidate of the PMDB, Luis Inacio Lula da Silva would still be in first place with 30 percent of the votes. Former Finance Minister Fernando Henrique Cardoso would keep second place with 13 percent of the votes. Jose Sarney would be in third place with 11 percent of the votes. Mayor Paulo Maluf would be fourth with 10 percent. Governor Leonel Brizola would be fifth with 7 percent. Governor Antonio Carlos Magalhaes would be sixth with 5 percent. Flavio Rocha would be seventh with 1 percent. The undecided, blank and null votes would be 23 percent.

The Ibope poll does not show what the results would be if Governor of Parana Roberto Requiao runs for the PMDB.

The poll also shows the people's preferences after Sao Paulo Mayor Paulo Maluf withdrew from the race. Maluf's decision to withdraw, made in Sao Paulo yesterday afternoon, led Ibope to conduct another poll. The following are the first four candidates:

According to Ibope if the elections were held today Luis Inacio Lula da Silva would continue to lead with 37 percent of the votes. Former Finance Minister Fernando Henrique Cardoso would be second with 19 perecent. Governor Leonel Brizola would be third with 10 perecent, and former Governor Orestes Quercia would be fourth with 6 percent. The undecided, blank, and null votes would be 28 percent. [passage omitted]

### Surcharge Increased for U.S., Canadian Wheat

*PY0104180694 Madrid EFE in Spanish 1802 GMT 30 Mar 94*

[Text] Brasilia, 30 Mar (EFE)—Official sources reported here today that the Brazilian Government has ordered an increase in import duties for wheat over a period of four and a half months. The sources added, however, that Argentina—Brazil's main trade partner in the Common Market of the South (Mercosur)—will not be affected by the increase.

The wheat surcharge—which ranges from 10 to 17 percent—will be enforced from 15 September 1994 to 31 January 1995, the period for marketing Brazilian wheat. The measure will particularly affect U.S., Canadian, and German wheat.

An Agriculture Ministry spokesman told EFE that the decision is designed to expand trade with Argentina and to promote Brazilian wheat production.

Agriculture Minister Sinval Guazelli is also studying a proposal to impose a surcharge on grounds of unfair competition on any wheat purchased by Brazilian mills from countries that are subsidizing agricultural production.

The proposal, which is part of a package that would go into effect until 1997, seeks to make the surcharge match the value of the subsidies granted by the producing country.

In light of the process of eliminating customs duties within Mercosur, under which member countries are entitled to an 82 percent tax reduction, the import duties to be paid on Argentine wheat sold to Brazil amounts to 1.8 percent.

Additionally, a bilateral agreement guarantees the annual purchase by Brazil of 2 million tonnes of Argentine wheat. Actual purchases have, however, often been higher than this minimum figure.

In 1994, Argentina will export between 3 and 3.5 million tonnes of wheat to Brazil, but the Brazilian imports will total some 5.5 million tonnes.

Brazilian Foreign Minister Celso Amorim has described the purchase of Argentine wheat as a "strategic" decision linked to integration within Mercosur and has said that Brazilian mills have acknowledged the advantages of purchasing Argentine wheat because of the low import duties and lower freight costs involved.

The Argentine Government has expressed its displeasure over the U.S. offer to sell 500,000 tonnes of wheat to Brazil at subsidized prices.

According to official sources in Brasilia, a U.S. Government delegation has made the offer to Brazilian officials.

Argentine-Brazilian trade, which has markedly increased since 1990, is negative for Argentina, whose deficit in 1993 amounted to $1,074,200,000.

According to the Brazilian Foreign Trade Secretariat, in 1993 Brazilian sales to Argentina totaled $3.7 billion, while its imports from Argentina totaled $2,625,700,000.

## Peru

### Air Force Commander in Chief Interviewed

*PY0104184594 Santiago LA TERCERA DE LA HORA in Spanish 21 Mar 94 pp 6-7*

[Interview with Air General Ramon Vega Hidalgo, Chilean Air Force, FACh, commander in chief, by reporter Maria Eugenia Oyarzun "yesterday on the occasion of the 64th anniversary of the Air Force" at the Armed Forces building in Santiago]

[Excerpts] [passage omitted] [Oyarzun] Does the FACh have deterrent power?

[Vega] During the past 64 years the Air Force commanders' main concern has been to provide the Air Force with effective deterrent power. It is not just the Air Force but the nation's air power as a whole. This is what Arturo Merino Benitez [one of the founders of the FACh] envisaged when he established LAN [Chilean National Airline], the Main Hangars, and the Chilean Air Club, long before founding the FACh. The development of aeronautics is intertwined with the economic development of the nation. We canot expect to have the kind of air force developed countries have because there are priorities which have to do with social needs that must be taken care of. Within these limitations the FACh has an excellent professional team of outstanding potential in terms of human resources which are scientifically trained and know their job inside out. Within this context the FACh is technically and professionally a first class organization.

[Oyarzun] Was the Hunter plane purchased in 1968 later modified in Chile?

[Vega] Yes, it has been modified. We added several systems which made this plane more versatile and gave it some capabilities it did not have before. This plane was used to train more than half of the FACh personnel.

[Oyarzun] What is the current status of the National Aeronautical Enterprise (Enaer)?

[Vega] Enaer started operating under the military government. General Matthei [Fernando Matthei Aubel, former FACh commander] was the driving force behind the establishment of a national aeronautical industry. The initial steps were difficult because the aeronautical industry is complex, dynamic and amazingly prone to changes. This means that technicians, managers, and workers must keep up with these changes. An air force cannot remain in the past, it must be modern or else it is no air force. The need for such fast changes and technology requires excellent human resources because planes do not stay up in the air through magic but because man wants them to. Planes pose several requirements which means that those who operate them must be up-to-date on the technology in their hands. Thus, Enaer cannot stop working and neither can the very sophisticated DTS [Desarrollo de Tecnologias y Sistemas Limitada—Technologies and Systems Development Ltd.] company specialized in avionics. All this means that we have to have a plane which will be more or less up-to-date bearing in mind that our technology cannot be similar to that of the United State or other developed countries, but in keeping with national priorities.

[Oyarzun] It has always been said that the Air Force is in the third place after the Army and the Navy. In today's wars which is more important, the Army, the Navy, or the Air Force?

[Vega] All three branches must be tightly coordinated and act in unison. The three are interdependent. This means that the three braches must develop at the same rate and plan along the same lines. The Armed Forces are a system whose subsystems must all have the same quality.

[Oyarzun] United?

[Vega] Total coordination and unity is essential. That is how Chile's Armed Forces do things.

[Oyarzun] Have they always been united?

[Vega] Always. The Army and the Navy gave the Air Force its start. We inherited the ranking system, discipline and uniforms from the Army. The star on the tail of our planes is the Navy star and the shield on the wings of our planes is the Navy shield. The Air Force has been fully integrated with the other branches of service from the very beginning. As of 1930 the FACh began moving toward autonomy because the technology, strategy, and doctrine applicable to this branch of service are different and so is the approach to the building up of capability.

[Oyarzun] All this costs money...

[Vega] Every action or movement in life has a cost. I believe that the point is knowing how to establish priorities for spending and how to direct the funds available to the fulfillment of objectives that can help each institution carry out its mission. There will never be enough funds and there will always be more needs than resources available, even in the U.S. Air Force.

[Oyarzun] There are politicians who believe that the Armed Forces budget should be cut because "no military conflicts are expected" in the short or medium term, and because from looking at the overall international scenario, the phantom of war seems to be fading away. Do you agree with them?

[Vega] Your question is very interesting. I do not reject outright any opinion, but one does not build an air force

from one day to another. It takes years to build up operational effectiveness, train technicians, develop the infrastructure and the quality which is necessary to operate sophisticated materiel. An air force cannot become obsolete, it should either be maintained up-to-date or disappear. If it is no longer there one day, there is no room for improvisation. It takes years to train workers, pilots, mechanics, technicians, and to set up the logistic support for the highly sophisticated systems that an air force operates nowadays. There may be no conflict in sight, but no one can say for sure what will happen tomorrow. We have dramatic examples of what could happen. Perhaps a huge ideological east-west conflict is no longer likely, but regional conflicts are certainly possible.

[Oyarzun] Why do you say so?

[Vega] Because whenever regional interests are at stake there could be conflicts. We can see it in Yugoslavia and in many other parts of the world where they may be latent—whether valid or not it is not for me to say—but sometimes lead to the use of force. I would not like this to happen in our region. I believe that we have taken the course of reasonable regional understanding and the Latin American countries have taken an unprecedented approach.

I agree that there is a new approach to development methods which does not necessarily mean that there are no conflicts. It is impossible to prepare for conflicts from one day to another and it is the responsibility of the Air Force leadership to prepare the branch as best they can with the funds available for this. [passage omitted]

[Oyarzun] Did the FACh contribute to Chile's development during the military government?

[Vega] I believe that it is not easy to quantify the results, but undoubtedly Chile is a very modern country, one that has prestige both domestically and abroad. This all began after 1973.

[Oyarzun] Some people claim that the Armed Forces did not do enough for national reconciliation during President Patricio Aylwin's administration. What do you think?

[Vega] I do not engage in political discussions, all I can do is voice an opinion. Chile is moving along amid widespread reconciliation. I have reached this conclusion on the basis of the opinions of politicians of different leanings and the motivation with which Chile is working and developing.

[Oyarzun] The Eighth International Airspace Fair [Fidae] opened on the occasion of the 64th anniversary of the FACh. Is there anything that sets this year's Fidae apart from those of preceding years?

[Vega] Just as Chile as a whole, the Fidae has experienced spectacular growth. Since technologically speaking our country is far behind the highly developed nations, the FACh is making a great effort to bring some of this technology down here. Not everyone around here can get a close look at high technology. The Fidae allows us to bring this technology to Chile.

[Oyarzun] Why do so many foreigners attend the Fidae?

[Vega] Because Chile's current image is excellent. It is a developing country clearly on its way up, and capable of becoming a developed country in the short term. There is no show like this anywhere else in South America, and I believe that it offers an excellent opportunity to display all the aeronautic technology available. I do not mean just planes and arms. The Fidae's strong point is that it displayes everything that has to do with aeronautic technology. All countries need a meeting place and this is an attractive one.

[Oyarzun] What does Fidae show?

[Vega] Aerospace technology.

[Oyarzun] What does this technology include?

[Vega] We would like to have a complete array of space technology items. It has not been easy but there are some interesting things. Russia is participating for the first time.

[Oyarzun] What can Russia contribute at this point?

[Vega] The Russian Academy of Sciences is the oldest in the world. Their level of development in rocketry, satellites, communications and aeronautic technology is very high.

[Oyarzun] Haven't they become obsolete?

[Vega] Russia has had a temporary setback, but I believe that their scientific potential is still there. They will have to streamline their production systems and their companies after the drastic changes they have undergone. They will have to find new ways to produce goods, that is not an easy task. They will have to redesign a number of systems taking into account new economic and production conditions, but I believe that they will find their way. The Fidae is an important meeting; 400 companies and 36 countries are participating. [passage omitted]

[Oyarzun] How did the Air Force fare during the four years after the end of the military government? I am asking this question because you seem to have managed to keep out of the conflicts...

[Vega] It is not that I do not want to answer your questions on politics; it is simply not appropriate for me to do so. I love my fatherland, and I have tried to serve it from this position that has been entrusted to me. I never expected to become the Air Force commander in chief. As a Chilean citizen I believe that this has been an extraordinary stage in Chilean history. It has been very positive, with pros and cons as any endeavor is bound to have. In any conflict among human beings each one tries to make his own legitimate interests prevail. Overall,

Chile has moved steadily, calmly, and confidently forward on the wings of an exceptional development.

[Oyarzun] What do you expect from the newly installed administration?

[Vega] I do not believe that there will be any substantial changes. Steps will be taken to improve this positive development of ours. We have set a very stable course and all Chileans—regardless of their political and personal interests—are making a significant contribution to the nation's development.

[Oyarzun] What is the status of the FACh on its 64th anniversary?

[Vega] Good. It is surprising how many people join the FACh because of their inclinations! The results of this year's draft were very good. I admire the energy and knowledge that the new generations have.

[Oyarzun] A person who joins the Air Force knows that he will make less than he could as an independent professional in private business. What prompts people to join?

[Vega] Not all human beings aim at material achievements. Many people join the FACh because they have a calling, and they follow their instincts. The people who join the FACh do so because they have a calling, like the people who get involved in arts.

[Oyarzun] What effect will the Chilean Copper Corporation's [Codelco] loss of $206 million have on the FACh?

[Vega] It will have no effect on us this year, next year I do not know how much it will impact on our budget. We have a budget established by law and we operate within the framework of this budget. We streamline and rearrange our priorities in order to do our yearly programming... Institutionally speaking I would say that Codelco's loss will have no effect on us.

[Oyarzun] It is not like you can spare the money...

[Vega] One never has money to spare, especially in the case of small air forces like ours. Our budgets have been cut and are relatively small for the kind of technology we are operating with. [passage omitted]

### Carabineros Officers Sentenced in Murder Case

*PY0104173494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 1 Apr 94*

[Excerpts] On 31 March, nine years after the murder of three communist teachers—Jose Manuel Parada, Manuel Guerrero, and Santiago Nattino—Judge Milton Juica sentenced 17 former Carabineros members and a civilian. Three of the former Carabineros were sentenced to life in prison. The judge also determined that high-ranking Carabineros officers, including the institution's director, General Rodolfo Stange, and former General Cesar Mendoza, must be tried by the Military Courts for failing to carry out their duties.

[Begin recording] [Unidentified reporter] There was an atmosphere of great tension early this morning at the seat of the Sixth Criminal Court, where it was known that today Judge Milton Juica would make known his sentence.

Just after noon, those involved in the triple murder arrived at the courthouse to receive their sentences. Alejandro Saez Mardones, sentenced to life imprisonment, was the first to arrive. The former military policeman entered the courthouse amidst the shouts of demonstrators from human rights organizations.

Similar incidents occurred with the arrival of Colonel Guillermo Gonzalez Betrancourt, retired, who has also been sentenced to life imprisonment.

Former Carabineros Captain Patricio Zamora Rodriguez, also sentenced to life imprisonment, was the last to arrive. [passage omitted]

The most serious incidents took place with the arrival of Miguel Estay Reyno, alias El Fanta, the only civilian involved in the murders, who was tried under the charges of kidnapping and murder. Estay Reyno was sentenced to 18 years imprisonment. Jose Fuentes Castro received the same sentence. Claudio Zalazar Fuentes was sentenced to 15 years in prison.

These six people were accused of terrorist-style kidnapping and of triple murder. [passage omitted] [end recording]

## Colombia

### Guerrillas Reportedly Kidnap U.S. Citizen

*PA0104195794 Mexico City NOTIMEX in Spanish 1849 GMT 1 Apr 94*

[Text] Santa Fe de Bogota, 1 Apr (NOTIMEX)—U.S. citizen Ramon Rissin, the Summer Linguistic Institute's security chief, has been kidnapped by guerrillas in Meta Department in southern Colombia, military sources confirmed today. The Army's 7th Brigade reported that Rissin was relaxing at a resort hacienda in Puerto Lleras, some 300 km from Santa Fe de Bogota, when he was abducted by six men who identified themselves as Revolutionary Armed Forces of Colombia, FARC, members.

With Rissin's abduction, the number of U.S. citizens kidnapped by FARC in Meta increases to three. In January, guerrillas took missionaries Steve Welch and Timothy Vandyke hostage while at a camp near Villavicencio.

The Army report says that FARC political propaganda was found at the site where Rissin was taken captive. The FARC is Colombia's largest and oldest rebel organization. "We can confirm Rissin's kidnapping, but we do

not know the reasons for it," a 7th Brigade source said. He added that a special operation was mounted in the area to try to find Rissin.

On 3 March, National Liberation Army, ELN, guerrillas released, safe and sound, U.S. citizen Manning Lowis, who had been taken captive in the jungle of Choco Department, on the border with Panama, one year earlier. The FARC and ELN are part of the Simon Bolivar Coordinating Guerrilla Board, CGSB, which two years ago abandoned the peace negotiations with the Colombian Government in Tlaxcala, Mexico.

### Search 'Unsuccessful So Far'

*PA0104223394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2208 GMT 1 Apr 94*

[Text] Santa Fe de Bogota—The search for Ramon Rissin, Summer Linguistic Institute security chief, has been unsuccessful so far. Alleged FARC [Revolutionary Armed Forces of Colombia] guerrillas allegedly kidnapped him on the road between Puerto Lleras and Loma Linda, where the institute's main office is located.

### Army Continues Search

*PA0204022594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0102 GMT 2 Apr 94*

[Report by Ever Rincon]

[Text] The Army is continuing its intensive search operations in an attempt to rescue U.S. citizen Ramon Rissen safe and sound. Rissen is the security chief at the Summer Linguistic Institute in Loma Linda, Meta Department. General Luis Bernardo Urbina Sanchez, commander of the Army's 7th Brigade, has commented on this kidnapping and other issues for Radio Caracol.

[Begin Urbina recording] He was riding a motorcycle along the highway between the municipal capital of Puerto Lleras and Loma Linda, where the Summer Linguistic Institute operates. During the trip he was intercepted by individuals we believe are—or we are certain are—members of the 43d Front of the FARC [Revolutionary Armed Forces of Colombia]. They violently took him away. We had certain information about where they initially took him, but we learned later they had moved. We have been unable to recontact them. [end recording]

Urbina also said there is no information on the whereabouts of the two U.S. missionaries Steve Welch and Timothy Vandyck, whom FARC guerrillas also kidnapped in the hamlet of San Jose, near Villavicencio, on 16 January.

### Dissident Guerrilla Group Signs Peace Agreement

*PA0304200794 Mexico City NOTIMEX in Spanish 1919 GMT 3 Apr 94*

[Text] Santa Fe de Bogota, 3 Apr (NOTIMEX)—Delegates of the Socialist Renewal Movement (CRS) signed today the peace agreement achieved with the government of President Cesar Gaviria, which will lead to the demobilization of 300 rebels on 9 April. The rebels at the conference, which was held at the rebel camp in Flor del Monte, some 1,300 km north of Santa Fe de Bogota, stuck to their request for a seat in the Senate once the organization turns over its weapons.

The CRS, a dissident faction of the National Liberation Army (ELN), signed a political agreement with the Colombian Government last week. The agreement signed between the guerrillas [words indistinct] and the Colombian Government includes the government's pledge to grant sufficient resources for the incorporation of the CRS into the country's democratic life and guaranteeing two seats in the Chamber of Deputies for the rebel group.

The CRS summit, which began on 31 March and concluded today, welcomed the proposal of Jacinto Ruiz and Gabriel Borja—its negotiators—to vote blank on 29 May, the date of the presidential elections in Colombia. After rejecting the candidacy of Antonio Navarro Wolf as an alternative, the CRS plenum announced that it will promote a political movement "with a high degree of internal democracy that will set us apart from the bipartite tradition that has dominated this nation."

According to a CRS spokesperson, participants in the summit included at least 140 CRS delegates as well as followers of the legally constituted left wing, leaders of unions, and peasant organizations that are interested in the new political project.

Presidential Adviser Carlos Eduardo Jaramillo approved the signing of the agreement and [word indistinct] toward the consolidation of peace in Colombia.

### Presidential Guard Commandant Removed From Post

*PA0304043794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 2 Apr 94*

[From the "NTC News" newscast]

[Text] The investigation into the suicide of Private Leonardo Castro has led to the removal of Colonel Carlos Pinzon, commandant of the Presidential Guard Battalion.

[Begin General Norberto Adrada, Army 13th Brigade commander, recording] We have decided to relieve the colonel to allow a smoother investigation, without any kind of obstacle. Lieutenant Lozano was also moved, primarily to make the investigation process a little easier. [end recording]

For the same reasons, Pinzon was not present for today's change of command ceremonies. His future in the army is being questioned.

[Begin Adrada recording] That is a decision the commander of the Army must make. It is something we are

evaluating, as you know, because the investigations are continuing. The Army commander will make the final decision. [end recording]

Regarding Ricardo Lozano, the 13th Brigade commander simply said he had been transferred to a position similar to the one he held when the tragic events occurred. The new commander of the Presidential Guard is Colonel Jose Domingo Rubio, former commander of the Military School.

## Minister Sends Letter on Protocol to Gaviria

*PA0104171694 Santa Fe de Bogota EL TIEMPO in Spanish 27 Mar 94 pp 1A, 8C*

[Text] The Defense Ministry and the Armed Forces suggested yesterday that Colombia join Protocol II of the Geneva Convention of 1949, a multilateral agreement that contains the international human rights principles that cannot be violated during armed conflicts. The protocol bans terrorism as a form of armed struggle, inhumane and collective punishments, torture, the taking of hostages, and, especially, attacks on the civilian population, church representatives, and medical missions, among others.

The Cesar Gaviria government decided to submit to Congress a bill to include Protocol II in Colombian legislation after deeming that the agreement does not adversely affect the country's sovereignty, nor undermine the operational capabilities of the Public Force in the fight against armed rebels.

Defense Minister Rafael Pardo Rueda and General Ramon Emilio Gil, commander of the Armed Forces, sent a letter to President Cesar Gaviria yesterday saying it was "advisable" for Colombia to join the Protocol II. The defense minister said adherence to Protocol II "would not imply the recognition of the guerrilla groups as a belligerent force."

The government's adherence to what has been stipulated in the aforementioned protocol is, in practice, Colombia's demonstration to the international community that in the country the rights of the participants in the armed conflict are respected, which means that international human rights norms are respected.

Protocol II supplements Article 3 of the Geneva Convention, which refers to the protection of persons who are victims or who are adversely affected by the conflict. This agreement regulates the treatment given to persons not involved in the conflict or those who have intervened in the conflict but are no longer capable of participating in it.

Protocol II, in addition to prohibiting the taking of hostages, homicides, torture, practices such as slavery, terrorism, pillage, and collective punishments, also calls for the protection of persons who have been stripped of their freedom.

In the case of a noninternational conflict that is taking place on the territory of a high contracting party (the state, in this case Colombia), Protocol II is applied as long as the rebels are carrying out their actions under a responsible command and are exercising control over part of the territory that can allow them to conduct sustained military operations. If these conditions (as in the case of Colombia) are not fulfilled, the guerrillas may not apply the protocol rules.

In this regard, in the letter sent to President Gaviria, Pardo and Gil pointed out that the country's adherence to Protocol II "would not imply recognition of the guerrilla groups as a belligerent force because adherence only implies a commitment by the state or the high contracting party. Besides, it is clear that the illegal armed groups are not subject to international law."

The text of Pardo and Gil's letter sent to the president follows:

Mr. President: At the direction of the Armed Forces General Command, the Joint Staff has conducted a study of the main recommendations that have been made regarding the advisability of adhering to Protocol II of the Geneva Convention of 1949.

The arguments in favor and against have been reviewed, the results of which are contained in an attached document. In general, we have found that adherence to the aforementioned protocol would not imply recognition of the guerrilla groups as a belligerent force because adherence only implies a commitment by the state or the high contracting party. Besides, it is clear that the illegal armed groups are not subject to international law.

We may conclude, therefore, that the aforementioned organizations will not have the go ahead to freely conduct gun-running activities or to have diplomatic representation abroad; in no case will the members of the aforementioned organizations, who may be captured, receive prisoner of war status and they must surrender to the justice system as it is now done.

Seen in light of international law and other such protocols, particularly Article 3 of Protocol II, it is clear that national sovereignty will be respected at all times: To the letter, Article 3 of Protocol II states: "No provision of this protocol may be cited to undermine the sovereignty of a state or to defend the national unity and territorial safety of a state by all legal means." [sentence as published] Therefore, the state's ability to repress and control subversion will not be reduced at all.

The Armed Forces are in compliance with those provisions of International Humanitarian Law that are included in Protocol II in question. The laws and regulations that govern the Armed Forces meet the requirements set forth in said Protocol II. Hence, its application will not imply any degree of limitation or diminishment of the Public Force's operational capability.

Furthermore, as established by No. 2 of Article 214 of the Constitution, the provisions of International Humanitarian Law will be abided by during a state of emergency. This obviously includes those cited in Protocol II. These provisions, then, were in effect during the State of Internal Disturbance, from 8 November, 1992, to 4 August, 1993.

Upon the conclusion of said state, this Ministry felt that the Armed Forces should continue to abide strictly by these same rules and issued Defense Ministry Directive No. 017 of August 1993. In so doing, the Ministry issued permanent orders and instructions to all members of the Armed Forces, regarding the respect for and adherence to Human Rights and International Humanitarian Law. The directive also provides for training personnel in these areas, which are the same areas invoked by Protocol II.

Last, the attached document includes several recommendations, based mainly on the following two aspects: 1) The need to adopt the necessary legal measures to penalize serious violations—yet to be defined—of the regulations listed in Article 3, which are common to the Geneva Convention and Protocol II; and 2) The need for prior study of any reservations presented by other states regarding the provisions of Protocol II, as an important elements in analyzing the new instrument.

As stated in this note and in the attached documents, therefore, we believe it would be beneficial to present this Protocol II of the 1949 Geneva Convention to the Honorable Senate for discussion during the current congressional session.

Signed: Defense Minister Rafael Pardo Rueda and General Ramon Emilio Gil Bermudez, the commanding general of the Armed Forces.

### Authorities Confirm Increase in Coca Growing

*PA0304130894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 1 Apr 94*

[Report by Diego Hernan Canal; from the "NTC News" newscast]

[Text] Colombian drug authorities are very concerned because, apparently, Peru's successful struggle against the people who traffic in drugs in that country has resulted in a significant increase in coca growing in Colombia. Authorities have confirmed that Bolivian and Peruvian coca crops are being moved to Colombia and that the number of coca plantations has increased 100 percent in the past four years. This prompts a new and distressing situation in our country.

[Begin Colombian Drug Director Gabriel De Vega recording] We are becoming a country that produces coca and are very close to supplanting Bolivia for second place, after Peru, as a coca-producing country. [end recording]

The situation is developing as a result of Peru's struggle against the aircraft that transport coca base from that country to Colombia to be processed into cocaine. The large number of planes downed by the Peruvians has caused pilots involved in drug trafficking to decide to leave the business or to charge too much.

[Begin De Vega recording] Confronted with this situation, for example, they prefer to shift coca growing to Colombia, even if it is not as productive as in Peru. They would rather increase the number of crops to compensate for the loss in productivity. [end recording]

This situation is making Colombia not only a cocaine processing and marketing country, but also a coca grower as big as Bolivia.

## Peru

### Minister Terms U.S. Jurists Report 'Inconsistent'

*PY0104182694 Madrid EFE in Spanish 1501 GMT 31 Mar 94*

[Text] Lima, 31 Mar (EFE)—Peruvian Justice Minister Fernando Vega Santa Gadea described as "inconsistent" a report by a commission of international jurists led by U.S. attorney Robert Goldman that criticizes the Peruvian administration of justice.

On 24 March Goldman informed Minister Vega that on 31 March he was going to release the report on "the administration of justice in Peru," which was prepared by the Goldman Commission after a three-day visit to Peru in 1993.

In a letter to Goldman disseminated today, Vega denies Goldman's contention that the Goldman report has been released "at the request of the Peruvian Government."

Vega states that in the face of repeated requests by the U.S. Government "it was agreed" to allow a team of jurists led by Goldman to visit Peru to learn about the Peruvian administration of justice.

Vega adds that he has not asked the Goldman Commission for any report and that the U.S. Embassy in Lima has noted that the commission of jurists "has received this task from the State Department."

These remarks, Vega says, should not be construed as a refusal by the Peruvian Government to have U.S. jurists come to Peru to learn about its justice system. He adds: "Yet, to accept an analysis which criticizes the current legal system, and which contains warnings and drastic recommendations that should be applied immediately is an altogether different thing."

In his letter, Vega states that spending three days analyzing the Peruvian legal reality causes the report to be "so superficial that most of its conclusions and recommendations are only based on prejudgements and legal inconsistencies."

Vega adds that the report has overlooked the progress made in November 1993 in making the Peruvian antiterrorist laws more flexible and states that the "reformulation" of the conclusions to convert them into simple "suggestions" reflects "the low degree of seriousness with which the original report was conceived."

Vega "categorically" denies Goldman's allegation that he had informed him that the commission was going to prepare a report on the administration of justice in Peru.

### Minister Goldenberg Addresses Congress

*PY3103200094 Lima EL PERUANO in Spanish 18 Mar 94 Special Supplement pp A5-A7*

[Address to Congress by Efrain Goldenberg, president of the Council of Ministers and foreign minister, in Lima on 17 March]

[Text] Mr. President of Congress, Messrs. Congressmen:

Complying with Article 130 of the Constitution, this ministerial cabinet is hereby reporting to Congress to reveal and debate the general government policy it intends to develop and the main measures that are required for its work.

Mr. President:

Every time a cabinet reports to this assembly, the first great problem has been to gather a set of good results to show. Fortunately for Peru, this has not been a problem in our case.

Actually, our main concern today is to consider, without an overly optimistic attitude and as impartially as possible, the large number of indicators that Peru is on the right course. I will point only to the most significant ones.

With a strict policy of austerity and fiscal order, Peruvians have collectively attained undeniable macroeconomic achievements in only three and a half years.

We have controlled the second highest inflation rate and longest inflationary period that mankind has ever had to confront. Our efforts reduced inflation to 39.5 percent in 1993, the lowest rate in the past 16 years. We have reduced the fiscal deficit from more than 13 percent to a reasonable 1.4 percent of the GDP, which was financed without resorting to the deceitful "machine" for printing money without proper backing.

We have doubled tax revenues—which were not enough even for paying current government expenses—from less than 5 percent to more than 10 percent of the GDP.

We have increased our net reserves, which had previously been squandered to favor privileged sectors who were close to power, increasing them from less than $150 million to more than $3 billion.

We also managed to pull the Peruvian economy out of a difficult recession phase. In 1993, the GDP growth rate was 3.3 times as big as the population growth rate, reaching the highest level in the Americas: 6.8 percent.

Estimates for 1994 are also encouraging. The inflation rate is expected to stand at approximately 20 percent, while it is estimated that the fiscal deficit will be eliminated, even reaching a primary surplus ranging between 1 and 2 percent of the GDP, and a tax revenue level of 12 percent of the GDP. Reserves are expected to reach $3.5 billion.

Besides, the GDP growth rate is expected to be at least twice that of the population growth rate, and this means that the economy will have more resources for each inhabitant. As in 1993, it will be a healthy and vigorous growth, based on savings and work, all of which will give it stability.

On the other hand, the pacification process and the eradication of terrorism as a threat to the state are firmly moving forward. Several thousand terrorists have been captured, and the number of repented terrorists is rapidly growing, marking the beginning of massive desertion from terrorists' ranks. At the present time, as evidence that the terrorist myth is undergoing an internal collapse, 3,000 Shining Path and 1,000 MRTA [Tupac Amaru Revolutionary Movement] members have already deserted. It is important to note that the vast majority of desertions within Shining Path took place after the letters written by Abimael Guzman were made public. This shows that the government's antiterrorist strategy is effective.

Two other facts have clearly reflected the progress in the pacification process and the deterioration of the terrorist movement. First, the amounts requested by insured enterprises from insurance companies to cover terrorist damages are today seven times lower than in 1992.

Second, the number of tourists arriving in Peru has increased by 37 percent over the last 8 months of 1993, something that would have been impossible had we been a country that did not inspire growing confidence and security.

Yet beyond those indicators, Mr. President, the most impartial evidence of the radical improvement we have experienced is our revitalized love for and faith in Peru.

When in 1988—even before the most difficult time in the economic crisis—a prestigious polling company asked Peruvians where they would like to be born if they had a chance to be born again, 70 percent of those polled replied that they would like to be born outside Peru. We Peruvians did not want to be Peruvians. Barely two weeks ago, when asked to answer the same question, 77 percent chose to be born again in Peru.

Mr. President:

We are not here—we cannot do it—to change an orientation that has allowed Peruvians to envisage a modern, prosperous future, no matter how difficult this could have seemed a few years ago.

Neither are we here to make any claims about responsibilities that are shared by all Peruvians. Yet we want neither to relinquish nor forget our experiences, because they make us strong and because they promote our unity. A country that does not remember its history is a weak country that repeats its mistakes. This cabinet wants to correct mistakes and find achievements.

We are sure that, along with the pacification process, the main achievement of our government has been, far and away, the enforcement of deep structural reforms based on the principles of the free market, a prudent fiscal and monetary policy, a redefined role for the state, a redefined relationship between the public and private sectors, opening up to international commerce, the modernization of institutions, the liberalization of all economic sectors, a rejoining with the international financial system, and the enforcement of clear regulations for local and foreign investment.

Through these reforms the state is creating the conditions for private initiative to develop production, which will gradually allow greater efforts and resources to be devoted to improving the standards of living of all Peruvians. In this way the state will be able to better fulfill its unavoidable obligation to provide education, health, and justice, as well as to maintain and build the infrastructure, provide security, and guarantee an open market for the benefit of consumers.

In addition, the reforms have allowed a reduction in costs and an improvement in the efficiency of operations and investments made in Peru, by transforming an artificial economy into a dynamic economy that is creating jobs.

Mr. President:

Economic growth through investment—not through indiscriminate spending—is the basis of the Peruvian development model, because investing is the only way to maintain current employment and guarantee future jobs. The logic of the reforms, and government action at all levels, is therefore to give investments a framework of stability and security.

The numerous and valuable human and natural resources that Peru has are worthless if incapable of providing security. Security—commercial and noncommercial—is the first thing an investor seeks in a country. It is therefore the best way to compete internationally and to strengthen our readmission into the economic and financial community.

In this regard the new Constitution, which was drawn up by this Congress and approved, for the first time in our republican history, through a plebiscite, contributes to the consolidation of the reform system being carried out, by providing political support and juridical stability that will guarantee the permanence of the Constitution through the years. The Constitution provides economic freedom, freedom for initiative, and equal conditions, which makes for a viable nation and a promising future.

Our government also believes that pacification is a needed requirement in order to attract investment and reach economic development and social well-being. This is one more reason to continue to struggle unceasingly toward achieving the complete defeat of terrorism in the near future, which is something we are convinced we can.

But we are also convinced that it is necessary to have broad respect for human rights if we want the effectiveness of the antisubversive measures to be complete and lasting. We know perfectly well that the success being achieved reflects the degree of unity of Peruvian society in the search for common objectives, and the support of the organized population in alliance with the police.

Mr. President:

The environment of stability and opening existing in the country, as well as the investment opportunities it offers, has led to a remarkable growth in national and foreign investment.

As a result of these conditions, in the last three years the national private sector has invested more than $300 million in the fishing sector and in plants for producing fishmeal and building ships, and has submitted proposals for mine prospecting over 50 percent more hectares than in the entire history of Peru.

These conditions also have drawn the attention of international investment banks and the main multinational corporations, which have expanded the capital of established local firms through joint ventures [preceding two words in English] with private Peruvian companies, created new firms, or purchased state companies.

There are three very good examples that show that new investments are not to be attributed to sheer luck, but to the success of a strategy that gradually is beginning to pay. The first example is the fact that 11 companies are prospecting for oil in Peru while five others are engaged in exploiting more than 50 oil wells.

The second example is that the budget the U.S. Government submitted to Congress this year allocates more aid to Peru than to any other Latin American country.

The third, and most significant, example is the recent sale of a portion of the state's shares of telecommunications companies for a large sum of money.

The benefits of this privatization will be clearly perceived by all Peruvians. Before the year 2000, Peru will have 1 million new telephone lines. This means that over the next five years more than 500 new lines will be installed every day. This will give Peru 250 percent more lines than it has today. Furthermore, there will be 10 times more public telephones, and telephone services will expand all over the country reaching every village that has more than 500 inhabitants, thus linking 1,500 villages that so far have no telephone services.

These three examples clearly indicate that Peru is beginning to be looked upon as a country with a future, and nobody would bet on the future of a country unless its present is solid and stable.

Mr. President:

It has been made clear that to privatize does not simply mean the handing over of state enterprises to the private sector.

Privatization is a process in which there is the intention to ensure the full competition of the enterprises to help increase production, as occurred, for example, with the Chinese company called Shoughang, which increased the production of Hierroperu [Peruvian Mines Iron Enterprise], which always ran a deficit, by 125 percent.

Privatization means the democratization and decentralization of the country by reducing excess power and control. It also means an expansion of ownership by allowing the workers' participation in the purchase of the enterprises.

Privatization means an enlarging and internationalization of our economy by increasing the welfare that we enjoy within its framework, thus stimulating social development and economic growth that requires larger resources than internal savings can provide.

Privatization means promoting the creation of new jobs and the possibility of achieving adequate technical and production levels.

Privatization means the release of resources that in years gone by were used to cover the deficit of state enterprises, which amounted to $2.5 billion in 1990, and to obtaining fresh resources so the state can provide increased funds for the expansion and improvement of the services it gives the people.

In the years that the Commission for Promotion of Private Investment (Copri) has been functioning, it has privatized some 30 enterprises for a total of $1.994 billion and has obtained investment commitments amounting to an additional $2.272 billion. Forty-five privatizations have been programmed for 1994, including Centromin [Central Peru Mining Enterprise], Mineroperu [Peruvian State Mineral Marketing Company], Electrolima [Lima Electric Power Enterprise], Pescaperu [State Fishmeal and Fish Oil Production Agency], Siderperu [Peruvian Steel and Enterprise], and Interbanc [expansion unknown].

Mr. President:

The series of reforms that have been outlined also have positively influenced the development of the capital market and have attracted an interesting international flow of capital, and they have multiplied financial and banking operations with the rest of the world.

The new Banking, Financial, and Insurance Institutions Law also has been approved, and it has introduced new mechanisms into the capital market that are revolutionizing credit and generating a series of operations that are highly profitable, especially in the cases of credit and long-term financial instruments. We have as an example mortgage bonds, which will promote the construction of housing financed with adequate interest rates and terms of up to 20 years, thus fulfilling Peruvians' longtime desire of having access to their own homes.

These reforms in the capital market have stimulated stock exchange activities, making the Lima Stock Exchange, which is currently managed by the private sector, one of the most profitable ones with the largest growth in the world for three consecutive years.

On 2 March, the Lima Stock Exchange set an exchange record of $68 million, which means that three-quarters of what was negotiated in 1990 was negotiated in a few hours.

The development of agile, cheap, and unrestrained foreign trade has promoted the expansion of our exchange of trade with the world, thus allowing Peruvians access to assets and services produced in international markets, which in turn feeds the competitiveness of our exports and generates major income from imports. Thus, by reducing tariffs from 66 percent to 16 percent, the income from imports has multiplied two and one-half times between 1990 and 1993, increasing from some $600 million to some $1.5 billion.

It is true that our exports have to be promoted. This is why we are carrying out a complete study to determine our competitive advantages and potential markets, and we also are carefully evaluating our weaknesses and strengths. In a globalized and interdependent economy that has trade as its main instrument, Peru aspires to recover its position as an exporting country.

Mr. President:

Many of the noteworthy structural reforms already have been implemented and are in force. Now it is a question of consolidating the reforms that have been implemented and to continue rationally with those that still have to be implemented by refining development mechanisms and by concentrating on improving the conditions that affect the daily lives of Peruvian men and women.

In order to carry out this challenge it is necessary that we place an ever-increasing emphasis on social aspects. This is why I wish to explain some of the most important changes that have occurred in the sectors directly involved in the country's social development.

In health care, the hub of the government's strategy is to enhance preventive medicine and the quality of basic medical care provided at dispensaries so they can effectively solve minor ailments affecting the majority of the population. We are seeking not only to tackle problems when they are staring us in the face, but also to forestall

the damages to which nearly 18 million Peruvians needing medical aid—which has to be provided by the government—are exposed.

In order to attain this objective, we are streamlining the Health Ministry through efficient management and the linking of administrative systems that previously were unconnected. This will be instrumental in improving and expediting the decisionmaking process and the administration of the scarce resources we have at our disposal.

Moreover, the community will share the management of the health care system with the government. This will enable the community to directly administer health centers and dispensaries with government funds.

This shared management is not a political measure designed for the government to abandon its obligations. It is a technical approach to come to grips with the health problem in Peru, which will enable us to pinpoint the population's real needs. It also conforms to the constitutional mandate to coordinate goals with institutions from the sector and the people involved.

Furthermore, by giving key decisionmaking power to the community, the state reinforces nonpolitical criteria that will prevent changes of government from affecting long-term health care plans that the people are rightfully demanding.

To finance their undertakings, health officials have obtained $200 million from international cooperation agencies. These funds will be basically used to supply equipment and infrastructure facilities to medical centers and posts. They also will be earmarked for improving basic maternal-child survival and nutrition levels, eradicating diseases like measles, and controlling others like tuberculosis and cholera.

Mr. President:

The current educational situation poses the enormous challenge of modernizing the system by promoting the principle of freedom of teaching at public and private levels alike and by decentralizing education. To this end, the government is promoting community participation, strengthening school directors' authority, and internal autonomy for educational centers.

Educational modernization also requires the improvement of school facilities. To this end, more than 200 schools were built and nearly 100 schools were refurbished in 1993. One school per day will be built in 1994.

Educational modernization also requires that teachers be adequately trained and earn decent salaries. To this effect, the government has started an aggressive training campaign for 50,000 teachers—who have been neglected for 20 years—and, for the first time, this training program includes all directors of public schools nationwide.

The government also soon will implement a gradual salary increase for teachers.

Additionally, a school evaluation system will be implemented that will include tests designed to assess the performance of teachers and students alike with a view to ensuring that progress be made and that the teaching methods, techniques, and subjects are the appropriate ones. To implement these objectives, 1 million textbooks will be distributed free of charge to schoolchildren in the country's poorest districts.

Furthermore, 200,000 children for the first time are receiving free preschool education in accordance with the mandate of the new Constitution that free education must be extended to this age level.

Mr. President:

Recognizing that good administration of justice is essential in any democratic system, our government is trying to make justice available to all Peruvians. To this end, we are coordinating with the judicial branch an increase in budget resources to expand the basic justice system structure by increasing the number of justices of the peace and first-instance judges.

Furthermore, radical changes are being made in the Peruvian prison system, which is bound to become the best one in Latin America. These changes include the creation of the Prison Studies Center and the remodeling of 108 rundown prisons into modern penitentiaries. The government's investment plans call for the construction of eight prisons and the remodeling of 12.

But most importantly, these centers will be adequately equipped to provide the necessary services to improve health, work, and education for the rehabilitation of some 18,000 inmates.

Finally, the executive branch has submitted to Congress a draft law on the national public registries system, establishing guidelines for its consolidation, modification, and automation. The reform in the area of public registries will guarantee property rights and expedite the use of mortgages to secure loans from financial institutions.

Mr. President:

Peru wants to be an integrated country; it wants to expand its domestic market and produce more. To achieve this, it requires basic infrastructure facilities for transportation and communications, electricity generation, potable water and sewage systems, and ports and airports. These facilities will improve the standard of living of all Peruvians and promote efficiency in the private sector.

Twenty-six bridges and 3,500 km of roads were either built, repaired, or maintained in 1992. This figure rose to 4,200 km in 1993. Today these projects include approximately 2,000 km of the Panamerican Highway and the Central Highway, and 1,300 km in the Selva area. All these projects, which have been implemented thanks to efficient management of Treasury funds and international cooperation, have used a great deal of manpower.

The government also is implementing a plan to take corrective action and improve efficiency in its power companies, with a view to avoiding electricity theft and reducing delinquent payments. To this end, it has put into motion the Special Benefit Program for the Regularization of Electricity Debts.

As a result of greater efficiency, electricity maintenance improved markedly in 1990s [when electricity production increased 9.3 percent compared with 1992].

Additionally, to increase the energy supply in the future, the government has built the Ventanilla plant, which required an investment of $100 million, and has earmarked $17 million for 12 small power plant projects. Work also is already under way for the construction of the Cachimayo-Abancay high-tension line that, at a cost of $11 million, will be instrumental in bringing about the much-delayed and much-awaited electrification of Apurimac Department.

Besides, the private sector plays a key role in meeting the people's needs for infrastructure facilities and public services. Thus, thanks to the new Law of Electricity Concessions, private companies have been authorized to engage in projects that will substantially increase the electricity supply.

Mr. President:

Our cabinet is aware that there will be no comprehensive solution to social problems without promoting the development of rural areas, where one-third of the Peruvian people make their living. Thus, it wants to assign top priority to modernizing the agrarian sector by adopting essential business guidelines that will give it greater dynamics.

To this end we are implementing a special program for land deeds that will enable tenants of rural plots to obtain deeds and thus promote the establishment of a formal land market and, consequently, attract investments in agriculture as soon as possible. Furthermore, tenants with deeds will be able to sell their plots or mortgage them to obtain loans for the first time.

Similarly, excessive regulations governing water resources have resulted in unrealistically low prices, which may be corrected through a law on water that we will be proposing to Congress. We firmly believe that the consolidation of a market for land and water is the best strategy for promoting agrarian development.

Thus, private companies could invest in major projects such as Majes or Chavimochic, which earlier had been entirely financed by the state and which—as proven by facts—require large resources from the Peruvian people to benefit only a few.

We cannot fail to mention the painful natural disasters that have affected both urban and rural areas of our country. In addressing these problems, we count on the determined support of the Armed Forces, the National Police, friendly countries like Japan and Great Britain, and the solidarity of the Peruvian people.

We also want to take this opportunity to make a public announcement that fills us with satisfaction. The Peruvian Government has concluded its negotiations with Shell, the world's largest oil company, for an agreement to assess the potential of the gigantic Camisea gas deposit. This agreement will pave the way for the signing in 1995 of a contract for the exploitation of this deposit, the contents of which are equivalent to 2.5 billion barrels of oil—eight times larger than our hydrocarbon reserves.

The establishment of the Municipal Compensation Fund [Fondo de Compensacion Municipal] is one of the most socially meaningful measures of our administration. This fund's resources are distributed with decentralization in mind, to really help out the country's most remote and poorest villages and towns. Through the implementation of this fund this February, districts like Ate in Lima and Independencia in Huaraz received seven or eight times more money than the year before.

Mr. President:

We are aware that there is a great deal to be done yet in order to attain the main goal of our administration and, especially, of this cabinet I preside over: a modern and efficient, but above all fair, society in which the state will guarantee rights, not distribute privileges. In sum, we aim for a society capable of offering real and better opportunities to all.

This society is the new Constitution's main objective, and President Fujimori has instructed us to give top priority to this goal. On the eve of the 21st century we also believe that this is what the people want.

At this point the overall social deficit—that is, the difference between what we Peruvians actually consume and what we should consume to have access to an adequate basket of basic staples—stands at $15 billion per year, twice the nation's overall budget.

It is quite clear that these shortcomings will not be fully overcome shortly or through the mechanisms of a market economy and the creation of new jobs. Therefore, the state as a whole must help overcome extreme poverty.

The number and the size of the shortcomings are enormous, especially if we take into account that between 1986 and 19[illegible]tate spending on social projects fell from $3.2 billion to $750 million per year.

Thus, just as this administration prepared a serious plan for economic stabilization and structural reforms, it has prepared a social stabilization plan that seeks to strengthen basic institutions and improve the quality of state spending on social projects. This plan is designed to develop low-complexity, large-scale, socially meaningful programs that will help take care of the most burning needs of the majority of the people, especially the extremely poor.

Our administration believes that people are the most valuable capital a country has, and that resources spent on building up this capital should not be looked upon as waste but as a very profitable investment. This investment, however, should be increased like any other investment in a realistic and responsible manner in keeping with the growth of state resources.

For a start, the state has budgeted more than $1.6 billion for social spending this year, twice the amount budgeted for 1990. We are sure, however, that in the medium term we will be able to provide the $2.8 billion we need to fulfill basic and urgent social requirements as far as health, education, nutritional assistance, and justice is concerned.

The long-term approach and the freedom of initiative that the economic reforms encourage and the economic system established in our Constitution advocates are prompted by the aforementioned burning needs of Peruvian men and women.

Mr. President:

During the preceding three and one-half years Peru has undergone a radical change that has renewed domestic and foreign optimism in our future as a nation. We have ceased to be a country concerned only with current problems and threatened by political and economic problems.

Because of the progress we have made toward pacifying our nation and making it economically stable, now we can see the light at the end of the tunnel and move surely toward social stabilization and development based on investments, savings, efficiency, and productivity.

At this stage we want to invest more in our human capital, which will be essential for meeting the challenges of development because we are convinced that we must satisfy the demands of our citizens and give opportunities to everyone for our country to prosper.

Firmly committed to attaining this objective, we have come to this Congress in compliance with the Constitution to ask for a vote of confidence. Thank you very much.

## Part IV of Article on Judicial Reform

*PY0104200094 Lima EXPRESO in Spanish 17 Mar 94 pp A8, A9*

[Part four of a judicial reform series by Victor Andres Ponce]

[Text] Just as it is important to resolve the problem of the inadequate number of judges to meet the requirements of justice, it is crucial to address the crisis of the judicial career, which has been markedly degraded in recent decades.

Specialists contend that this is a key factor in the reform because judges are responsible for handing down decisions and bringing prestige to their offices.

The system used to appoint judges has been one of the most controversial issues concerning the judicial career, as well as a topic that has been widely debated in the nation. Political interference has caused considerable damage in this respect.

### Background

In accordance with Article 223 of the 1933 Constitution, the Judicial Branch Organizational Law provided that "the performance and qualifications of first instance and appellate court judges will be evaluated every five years by the Supreme Court, which, acting as a jury and after conducting the inquiries it might deem appropriate, may dismiss any judge from office..."

It should be noted that the only time an evaluation was conducted in accordance with that law was in 1966. No further attempt to evaluate magistrates has been made since that year.

Later, a decree-law issued in December 1969 by the military dictatorship provided for a special confirmation in office of judges (based, of course, on criteria advocated by the government at that time).

Later, the 1979 Constitution established that Supreme Court justices must be confirmed by the Senate and that all other lower-ranking magistrates must be confirmed by the Supreme Court plenum. The 1979 Constitution did not provide for the periodical confirmation of judges.

### Prospects

The new Constitution has entrusted the National Council for Magistrates (CNM) with the task of selecting and appointing judges and prosecutors. Until the CNM is organized, its functions will be exercised by the Disciplinary Board for Magistrates.

Specialists contend that the CNM organizational law should include the requirement of periodical evaluations based on established guidelines for each level.

In this respect it should be noted that the Judicial Branch Organizational Law establishes clear, precise guidelines for evaluating the merits of judges, namely the timely and correct disposition of cases, moral integrity, the lack of sanctions or disciplinary measures, duly accredited academic degrees and training studies, publication of legal papers, awards, and decorations.

Therefore, there can be no argument against establishing the requirement for periodical evaluations in the CNM organizational law, especially considering that the evaluation is to be conducted by an independent, nonpolitical body.

**Impact of the New Procedural Codes**

In earlier reports we stated that our procedural laws are being rapidly modernized through the Code of Civil Procedures, the Code for Minors, and the imminent implementation of the Code of Penal Procedures.

Specialists have argued that the "pro-code" mentality that prevails among judges and that is taught in our law schools is not the most appropriate one for implementing the new procedures.

In fact, our judges have always preferred to go to trial instead of promoting conciliation between contending parties.

As we reported earlier, judges now are required to seek conciliation, because if they fail to do so the procedure may be nullified. But what happens when judges have been trained for litigation and for applying laws instead of administering justice conscientiously and equitably?

A civil judge said: What could happen is that conciliation may become a pro forma, pointless procedure because the judge is not prepared to bring litigants together.

In this context, there is an undeniable truth: Law schools' curricula must be reformed to conform to the new procedural trends.

**Academy for Magistrates**

The creation of a judicial school for higher studies, which had been proposed in every reform initiative for decades, was incorporated in the new Constitution. An organizational law—which should be proposed by the judicial branch—now is required to outline its objectives and functions.

Through this institution, which will make it possible to implement a policy of steadily training judges and prosecutors and to promote discussions on the administration of justice in our country, the Peruvian justice system will have the chance of measuring up to the judicial branches of other countries.

In this respect, it has been reported that the judicial branch manager went to the United States in October to negotiate an agreement with the vice rector of Harvard University whereby the latter would support the future academy for magistrates. A well-informed source said: "The objective is to create a legal school similar to ESAN [School of Business Administration]."

It also has been learned that the judicial executive council is drafting the bylaws for the academy and all that remains to be done is to remodel a recreational center in Chaclacayo that formerly belonged to the Popular Bank.

In his book "Alternative Justice," specialist Alberto Bustamente states his opposition to the idea that the academy should be the only institution charged with training judges and prosecutors for selection and appointment purposes. He contends that this will pose the risk of allowing a single institution to monopolize the training of magistrates on the basis of its own ideologies, and this procedure would entail going back many decades as far as training techniques is concerned. He believes every law faculty should be prepared to give these training courses so there will be several trends of thought in the law.

Another decisive factor in the judicial career crisis is salaries. In a previous report, we reported that the monthly salary of Supreme Court justice amounts to only 3,800 soles (less than $2,000), while their counterparts in other countries earn an average of $5,000 monthly.

The Judicial Branch Organizational Law establishes that a superior court member should earn 90 percent of the income of a Supreme Court justice; that is, 3,400 soles. The reality is quite different: He makes only 1,600 soles.

In the case of criminal, civil, and other judges, the law provides that their salaries should be equivalent to 80 percent of the salary of a Supreme Court justice; that is, 3,000 soles. In reality, they only make 1,100 soles.

Justices of the peace with law degrees should earn 2,600 soles, but they only make 700 soles.

**Conclusions**

The solution to the judicial career crisis requires actions by several institutions, from the CNM to law faculties.

One of the key reform topics is to include the requirement for a periodical evaluation in the future CNM organizational law—based on merit guidelines—for confirmation and promotion purposes. Thus, annual evaluation panels will become true national events.

Additionally, law schools' curricula must be reformed to conform to the new role assigned to judges in accordance with procedural codes. This job must be coordinated with the Academy for Magistrates.

Finally, there will be no judicial career reform if the current salaries are not increased.

**Part V of Article**

*PY0104215094 Lima EXPRESO in Spanish 18 Mar 94 pp A6, A7*

[Part five of a judicial reform series by Victor Andres Ponce]

[Text] Before the new Judicial Branch Organizational Law's issuance, the Supreme Court or the higher courts handled both jurisdictional and administrative matters. As a result, the management of resources, which was looked upon as a secondary issue, was bad.

Higher courts' members had to worry whether some given court needed a desk, a typewriter, or more personnel. The results of this type of management are staring at us: extremely bad infrastructure and management conditions.

Court buildings and the quality of Peruvian justice declined simultaneously. All one needs to do to agree with this assessment is take one look at the mounds of files on the tables, the shortage of typewriters, the courtrooms' small size, and put it together with the sluggishness of legal procedures and the lack of sentences.

In other words, bad management is also partly to blame for the shortcomings of Peruvian justice.

**Judicial Branch Management**

As has been pointed out in previous parts of this series, one of the main innovations of the new Judicial Branch Organizational Law is the separation between jurisdictional issues—which are dealt with by a Supreme Court plenum—and managerial and administrative issues. The Executive Council was created to handle the latter. This council has several bodies. The Office of the General Manager is one of the most important.

Thus, for the first time in the Peruvian judicial branch's history there will be a general manager to handle administrative matters, taking these matters out judges' hands.

The new Judicial Branch Organizational Law gives the general manager the same rank as that of a Supreme Court member, which means that he has a seat on the Executive Council and can voice his opinion but does not have the right to vote. This will lead to greater integration and better coordination. According to a source, "this is the first time that a professional other than a lawyer or judge will hold the rank of Supreme Court member."

To better carry out his duties, the Office of the General Manager will have a personnel manager, a computer systems manager, an organizational manager, and an infrastructure manager.

The Office of the General Manager was created, among other things, to make the judicial branch a financially more dynamic organization capable of generating on its own much more funds than it does nowadays and to tap new sources of funds. Another reason was, of course, to manage these resources rationally and technically. All this is absolutely new for an institution used to obscure management. In the next part of this report, we will provide further details on the progress made in this area.

The establishment of the Office of the General Manager, however, has awakened some jealousy, especially in the lower courts. Certain judges feel they are losing power with every minor administrative decision made or there is a power beyond them organizing the courts. Our source stated: "It is not a question of taking power away from the judges but of seeking logical and effective management."

**The Infrastructure Problems**

One of the new management's main challenges is to resolve the infrastructure shortage. Roberto Alvarez, who is in charge of the Judicial Branch Research Center, said: "We now have 400 more judges than we had in the seventies but no new courts have been built. The problem stares at us: The space that a single judge used in the seventies is now shared by four judges."

In the country's capital, the old Justice Palace houses most of the courts.

It is well known that the palace was built toward the end of the thirties and has suffered from the earthquakes that took place in 1949, 1966, 1970, and 1974. The building's structure has been severely damaged by these quakes.

The only efforts to make it less of a warren were the opening of new courts in northern Lima, the project to open other courts in southern Lima and Chosica, and the transfer of 30 civil courts to the building at the intersection of Arenales Avenue and Dos de Mayo Street.

According to projections by the Office of the General Manager, the ideal area for a court to carry out its tasks adequately is 140 square meters. The current average area in the courts is 20 square meters. The criminal court's situation is alarming: mountains of papers, one judge, four secretaries, two administrative employees, and the public, and they all have to squeeze in to do their work and process the documents.

The same situation prevails in civil court, but with the additional burden that many secretaries work in the court's basement because there is no room in the judges' offices, and in some cases they work in the office on Azangaro Street.

In the provinces the courts work in facilities donated by the municipalities, and some of them have no water or electricity. Regarding equipment, the situation is also poor. In only a few cases is there more than just a typewriter.

In some places there are cases when the judge buys the equipment from his own pocket.

In this regard, it is worth commenting that among the new management's immediate plans is the adaptation of small facilities to decentralize the courts. A source who knows the problem said: "There is no need for judicial palaces. The idea is to build court facilities."

The delay in installing the criminal courts in the building that housed the Economy Ministry and the civil courts in the building that housed the Education Ministry also will be solved. It also is known that the Popular Bank, Agrarian Bank, and Industrial Bank branch buildings are about to be transferred to the judicial branch.

**The Administrative Personnel Problem**

The judicial branch has 4,700 employees. Of that amount, 4,000 are "jurisdictional administrative" personnel (they carry out work related to the administration of justice) who include court secretaries, secretaries, and court reporters for higher courts and the Supreme Court. The jurisdictional administrative personnel have two problems. They must have a law degree to fulfill the new Judicial Branch Organizational Law's requirement to carry out their tasks. And the other problem is their salaries. For example, a court secretary only earns 350 soles.

It is known that the management will make a general evaluation of the "jurisdictional administrative personnel" and then will make a public call to fill positions based on qualifications. But regarding salaries, there is still no solution to this problem because the judicial branch has obtained very little additional resources in the 1994 budget.

The last problem is very serious because the secretaries are the link between the judges and the litigators. This link allows them to become corrupt by asking for money to expedite the process and sometimes getting money on behalf of the judges who are not even aware of it.

In the Court of Appeals' case, the problems of the administrative personnel get worse.

There are four secretaries in every criminal court and, according to them, their two administrative assistants are not enough to support them in their task of processing incoming cases.

Something similar happens in civil court, which has two secretaries and two administrative assistants. Regarding the case of the 15 courts resolving cases with the old Code of Procedure, there are six secretaries, provisional ones, to expedite the process.

Is there enough or an excessive number of employees? Everything seems to indicate there are not enough. But what happens if the courts are equipped with computers? In the previous reports it was indicated that computers can save 50 percent in court work. In this regard, informatics could reduce the number of "jurisdictional administrative personnel."

**Conclusions**

The report comes to the conclusion that the judicial branch's administrative system is as important as the quality of judges. There can be no reform of justice if there is no new administration of human and material resources. The new Judicial Branch Organizational Law has favorably resolved this historic deficit in the courts.

Regarding the main problems to be faced, there is the alarming deficit of court facilities and equipment, and the situation of court employees. The new requirements demand that jurisdictional administrative personnel have a law degree, that they be able to handle court procedures, and be well paid. To do that it is certainly necessary to have more resources, which will be our topic in the next report.

## Ω Notes From Media

*94P20591A*

[Editorial Report] Poll on Fujimori, La Cantuta, Phone Company Sale

A March poll shows that in a two-way presidential contest, President Alberto Fujimori would trail slightly behind former UN Secretary-General Javier Perez de Cuellar, but in a multicandidate election, Fujimori would lead, as he also would do in a two-way race with Lima Mayor Ricardo Belmont. In the same poll, 40.9 percent of the respondents thought that Fujimori's chances of being reelected had gone down "in recent months."

The IMASEN poll shows that Perez de Cuellar has moved slightly up since January, with 45.2 percent in a two-way contest (from 43.1 percent in January) to Fujimori's 43.4 percent (essentially the same as in January). If the contest were between Fujimori and Belmont only and were held "tomorrow," Fujimori would lead Belmont with 49.6 percent of the vote to Belmont's 31.3 percent, while 19.1 percent did not respond to this question. If the candidates were Fujimori, Perez de Cuellar, Belmont, and "others," Fujimori would lead Perez de Cuellar by 3.2 percent (down from a lead of 4.7 percent in January), with Belmont and "others trailing far behind. The respondents were fairly evenly divided over whether Fujimori's reelection chances had improved or diminished in recent months, with 38.5 percent saying his chances had improved, 40.9 percent saying diminished, and 19.9 percent believing Fujimori's chances remained the same. There were 403 respondents interviewed.

The March poll also showed that 69.7 percent approved of the highly profitable privatization sale of the Peruvian Telephone Company, with 24.3 percent disapproving.

In a poll on the La Cantuta affair, 354 interviews were conducted. Asked whether all involved in the affair had been prosecuted, 84.7 said not all had been, and only 8.8 percent thought they had. Some 66.1 percent thought the speed with which the military trial was conducted was cause for distrust, while only 27.7 thought it was not. Asked whether the sentences had been just or light, 54.5 percent said they had been light and 34.5 percent believed they were just.

The data indicate that gender, age, and socioeconomic status were not significant factors in determining responses. The polls were conducted 1-4 March and covered all age and socioeconomic groups. Margin of error was not given.

## Uruguay

### Minister, Intelligence Chief Say No ETA Links Exist

*PY0104231494 Madrid EFE in Spanish 2148 GMT 1 Apr 94*

[Text] Montevideo, 1 Apr (EFE)—During a news conference, Uruguayan Interior Minister Raul Iturria stated today that the Uruguayan intelligence services have not discovered any indications of terrorist activities in the country linked to the Basque organization ETA [Basque Fatherland and Liberty].

The minister indicated that he had only called the news conference because of repeated media requests due to information published in Madrid newspapers regarding those possible links.

He made it clear that in any case it was not a question of a new investigation, that it is a question of an investigation that was carried out due to the arrest of an alleged group of Spanish ETA activists in May 1992, and that the current investigation has come up with the same results.

The minister added that he understood the Spanish authorities' concern regarding the delay in handing over the three alleged terrorists. Uruguayan courts now have granted the Spaniards' extradition because in a country with a strict separation of the branches of government, such as in Uruguay, that is an affair that pertains to the judicial branch, and the executive branch cannot interfere.

"No one wants this type of situation, but they must be handled in a very balanced way if they crop up," Iturria said, and he added: "Terrorism is a serious evil, as we Uruguayans know, and we suffered a 12-year institutional rupture due its activities."

Uruguayan intelligence services director Saul Claveria indicated in a separate conversation that his investigation regarding the charges of links between the ETA and the legal Uruguayan Tupamaros Party has come up with nothing that Uruguayan courts can term a crime.

Claveria also indicated that the presence of alleged ETA members in Uruguay cannot be presupposed to be a reactivation of the terrorism this country suffered in past decades, "because the Uruguayan people and government are against subversion: We Uruguayans have suffered to much because of terrorism, and we do not want a repeat."

## Venezuela

### Central Bank Increases Loan Assistance

*PA0304011894 Caracas EL UNIVERSAL in Spanish 30 Mar 94 p2-1*

[Report by Giuliana Chiappe]

[Text] Loan assistance granted by the Venezuelan Central Bank [BCV] rose 1,000 percent from early January to mid-March of 1994. The loans granted totaled 342.013 billion bolivares on 18 March.

According to the latest report on weekly indicators, the BCV statements show the Deposit Guarantee and Banking Protection Fund [Fondo de Garantia de Depositos y Proteccion Bancaria—Fogade] received most of that amount, or 308 billion bolivares, to be granted in turn for financial assistance to Banco Hipotecario de Occidente and seven banking institutions having problems of liquidity. The BCV has loaned 35.435 billion bolivares directly to commercial banks in the form of anticipated payments, discounts and securities borrowing, and by regular methods of loan assistance. During the second week of March, mortgage banks required 270 million bolivares, whereas financial corporations did not require direct aid.

During the previous week, the nominal increase was 29.698 billion bolivares, because by 11 march the BCV's loan assistance was 312.314 billion bolivares; 35.085 billion bolivares went to commercial banks, and 276.959 billion bolivares went to public institutions, a segment in which Fogade is included.

At the start of January, the BCV's outlook for loan assistance was totally different. By 1 January granted loans totaled 29.073 billion bolivares. Banks had barely needed 23.128 billion bolivares, whereas public institutions needed 5.945 billion bolivares.

The financial crisis, heightened by the closure and intervention of Banco Latino, absorbed 1,000 percent more than the figure registered in January. More precisely, the aid went up 1.076 percent.

Requests for money in general decreased during the week of 18 March, in relation to the week of 11 March, as BCV officials reported when they explained the results of their studies on the institution's activities during the past period:

"BCV's actions were aimed at lending credit aid, directly and through Fogade, to institutions that have problems of liquidity, although to a lesser degree than during the preceding week."

#### Regarding Other Operations

The BCV concentrated on selling zero coupon bonds [bonos cero cupon] and did so in record amounts for the ones with the regular 91-day validity and even, for the first time in 1994, for the ones valid for 184 days. Furthermore, it placed Government Treasury notes into private operations.

Liquidity during the week studied by the BCV increased by 1.3 percent, due to a 1.4-percent increase in cash deposits [depositos a la vista] and a 2.8-percent increase in savings.

The monetary base increased .7 percent due to the "incidence of expansion" created by Venezuelan Petroleum Corporation's internal financial effort and the financial institution's credit aid, "all of which was not compensated in the base absorption carried out by the institution through open market operations and the sale of foreign exchange."

Commercial banks' acquisitioning and placing of assets increased at the same 1.3-percent rate during the week. Concerning investments, clients preferred cash deposits, which increased 3.4 percent. [figure as published] In contrast, long-term certificates decreased 1.1 percent.

## Congressional Report Evaluates CVG 'Crisis'

*94SM0278C Caracas EL NACIONAL in Spanish 15 Feb 94 p D1*

[Article by Adela Leal]

[Text] The failure of shareholders to make the capital investments required to undertake new projects and expand others, and the management's inability to make the necessary corrections to adapt to new market conditions are the main causes of the deep crisis that has the basic enterprises in the Venezuelan Corporation of Guayana (CVG) holding company on the verge of collapse.

This assessment can be deduced from the report by an ad hoc congressional committee that looked into the financial statements of the enterprises from 1987 to 1992. The committee was chaired by Deputy Ramon Jose Medina, who was accompanied by Abdon Vivas Teran (the current minister president of the FIV [Venezuelan Investment Fund]), Gustavo Marquez, Freddy Lepage, Rafael Rodriguez Acosta, Amarilis Valor, Ildemaro Martinez, and Margot Siso.

The study, which focused on the aluminum and iron and steel industries, concluded that the CVG enterprises are in critical condition, some of them technically bankrupt, such as Alcasa, with liabilities more than double their assets.

### Properly Planned Privatization

The drafters of the report evaluate each of the six enterprises in the aluminum and iron and steel industries separately but offer overall conclusions and recommendations that are valid for them all.

They blame the CVG, as the agency that promotes the region's industrial development and as a major shareholder in the enterprises, for having spurred new projects and expanded existing ones without the capital investments by shareholders needed to complete them.

Most of the time these funds were not forthcoming, according to one of the conclusions, and other times they arrived belatedly. As a result, the enterprises had to resort urgently to short- and long-term borrowing, which in turn has meant huge financial costs for them, with the resulting damage to the industries' capital resources.

### Aluminum Sector in Danger

The report notes that the enterprises in the aluminum sector are in a critical, perilous condition owing to the steady decline in international prices, which has seriously disrupted their operations. This, along with the failure to recognize the industries' external debts and the sharp rise in international interest rates, explains the magnitude of the crisis.

Maintaining operating efficiency until 1989 and closing down inefficient, obsolete production lines were necessary steps. Today they are indispensable.

In another regard, the report says that now that the government has capitalized 60 percent of the SIDOR [Orinoco Iron and Steelworks] debt, the iron and steel sector is in less danger and its financial indices reflect reasonably good performance; as a result, its problems are altogether manageable.

In conclusion, it states that privatization should not be viewed dogmatically, arguing that although it is not a panacea for the problems of the CVG enterprises, it should not be regarded as harmful to the national interest either.

### Alcasa [Caroni Aluminum, Inc.]

This enterprise has structural problems, as reflected in the fact that its manufacturing costs stand at some 18.06 billion bolivars while its sales are around 17.6 billion.

It also faces a serious insolvency problem, as it has a working capital deficit of 21.1 billion bolivars, which is equivalent to more than 14 months of sales.

This enterprise, the report finds, is technically bankrupt unless shareholders give it fresh infusions of investment capital. In practice, Alcasa's creditors own it, and unless an estimated $300 million in investments is forthcoming, the best option is to close it down.

### Venalum [Aluminum Company of Venezuela, Inc.]

Venalum also has structural problems, as its manufacturing costs stand at 97.3 bolivars for every 100 in sales.

Its debt amounts to 44.6 billion bolivars, with assets of 63.9 billion, a ratio of 0.7 to 1, which can be regarded as very sound financially.

### Interalumina

Its manufacturing costs were equivalent to 83 percent of costs in 1992, a very high ratio (it should not be more than 70 percent).

The enterprise is reasonably solvent, with working capital of around 7.7 billion bolivars, although the reducers

have a 15 billion bolivar debt that they would seem unable to pay back in the short run.

**Bauxiven [Venezuelan Bauxite, Inc.]**

As of December 1992 this project required 23 billion in investments, and only 4.5 billion was forthcoming. As a result, it is beginning operations with a heavy financial burden and a high indebtedness index.

It is failing to comply with the IDB and FIV financing agreements.

**SIDOR**

Its manufacturing costs have remained very high, reaching 90 percent of sales in 1992.

Its current ratio during the years under study can be considered reasonable, and its working capital as of the end of 1992 was 27.5 billion bolivars.

The government's capitalization of its debt obviously improved its debt ratio.

**Ferrominera**

Its manufacturing costs rose from 50 to 60 percent of sales. This means that cutbacks have to be made in order to reverse the trend back to 40 percent, which would be acceptable for this mining firm.

Its debt ratio stood at 2.69 in 1992, and the enterprise's current ratio is slightly worse.